



CROWN CORK & SEAL COMPANY, INC.

9300 ASHTON ROAD
P.O. BOX 6208
PHILADELPHIA, PA 19136
215-698-5100
TELEX 6851077 PHA
FAX 215-698-5201

December 29, 1994

Ms. Carol Graszer Ropski
Emergency Support Section
USEPA (HSE-5J)
77 West Jackson Blvd.
Chicago, Illinois 60609

RE: Sauget & Company Landfill

Dear Ms. Ropski:

We are in receipt of your 12/16/94 General Notice of Potential Liability and Request for Information with respect to the above-referenced matter. Because we have no knowledge that our company generated hazardous waste which was disposed of at the site, we cannot intelligently evaluate whether we have any responsibility for the response activities at the site. We are requesting that you please forward to us any information you have linking our company to the site.

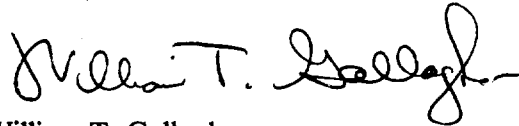
In response to your Information Request our response is as follows:

1. No
2. Not to our knowledge
3. Unknown
4. No.

Ms. Carol Graszer Ropski
December 29, 1994
page two

- 5-9. See enclosed 1994 Crown Cork & Seal Company, Inc. Annual Report
- 10. Unknown
- 11. None
- 12. No
- 13. None
- 14-16. Not Applicable
- 17. See #10
- 18. No

Sincerely,

A handwritten signature in black ink, appearing to read "William T. Gallagher". The signature is fluid and cursive, with a long horizontal stroke at the end.

William T. Gallagher
ATTORNEY
(215) 698-5383

WTG/sk

Enclosure

superfun\sauget

CROWN CORK & SEAL COMPANY, INC.



1993 Annual Report

WE CORDIALLY INVITE YOU to attend the next Annual Meeting of Shareholders of Common Stock being held at 11:00 A.M., on Thursday, April 28, 1994, at the offices of the Corporation, 9300 Ashton Road, Philadelphia, Pennsylvania. A formal notice of this Meeting, together with Proxy Statement and formal Proxy, will be mailed to each Shareholder of Common Stock of record as of the close of business on March 18, 1994, and only holders of record on said date will be entitled to vote. Management of the Corporation will request the holders of Common Shares to sign proxies for this meeting.



BOARD OF DIRECTORS

WILLIAM J. AVERY *, ****

Chairman of the Board, President
and Chief Executive Officer

HENRY E. BUTWEL *, **

Executive Vice President (Retired)

CHARLES F. CASEY

Former Chairman of the Board of
CONSTAR International Inc.

FRANCIS X. DALTON

Treasurer (Retired)

FRANCIS J. DUNLEAVY **, ***

Director of Bird, Inc., Quaker
Chemical, AEL, Scan Graphics
and Selas Corp.

CHESTER C. HILINSKI *, ***, ****

Of Counsel, Dechert Price & Rhoads, Attorneys

RICHARD L. KRZYZANOWSKI *

Executive Vice President,
Secretary and General Counsel

JOSEPHINE C. MANDEVILLE

President and Chief Executive Officer
of the Connelly Foundation

OWEN A. MANDEVILLE, JR.

President, Mandeville Insurance Associates, Inc.

MICHAEL J. McKENNA *

Executive Vice President,
President North American Division

ALAN W. RUTHERFORD

Executive Vice President, Chief Financial Officer

J. DOUGLASS SCOTT

President and CEO,
Crown Cork & Seal Canada Inc. (Retired)

ROBERT J. SIEBERT

Director and Retired President of
CRC Chemicals, Inc.

HAROLD A. SORGENTI***

Managing Partner, The Freedom Group,
Director of CoreStates Financial Corp.
and Provident Mutual Life Insurance Co.

EDWARD P. STUART **, ****

Management Consultant

*Member of Executive Committee

**Member of Audit Committee

***Member of Compensation Committee

****Member of Nominating Committee

CORPORATE MANAGEMENT CORPORATE OFFICERS

WILLIAM J. AVERY Chairman of the Board, President
and Chief Executive Officer

JOHN W. CONWAY Executive Vice President
President International Division

MARK W. HARTMAN Executive Vice President
Corporate Technologies

RICHARD L. KRZYZANOWSKI Executive Vice President
Secretary and General Counsel

HANS J. LOLIGER Executive Vice President
President Plastics Division

MICHAEL J. McKENNA Executive Vice President
President North American Division

ALAN W. RUTHERFORD Executive Vice President
Chief Financial Officer

RONALD R. THOMA Executive Vice President
Procurement and Traffic

WILLIAM R. HOWARD Senior Vice President Operations
International Division

ROBERT J. TRUITT Senior Vice President
Manufacturing USA

CLINTON J. WARING Senior Vice President
Sales and Marketing

REDA H. AMIRY Vice President Taxes

GARY L. BURGESS Vice President Human Resources

CRAIG R. L. CALLE Vice President and Treasurer

TIMOTHY J. DONAHUE Financial Controller

RICHARD DONOHUE Manufacturing Controller

B. DOUGLAS GOODELL Vice President
Machinery Division

PETER J. JULIAN Chief Information Officer



CORPORATE MANAGEMENT DIVISIONAL OFFICERS

NORTH AMERICAN DIVISION

ROBERT J. TRUITT
Senior Vice President
Manufacturing USA

CLINTON J. WARING
Senior Vice President
Sales and Marketing

JAMES T. BENNETT
Vice President
Manufacturing

EDWARD J. BOYLE, JR.
Vice President Sales
Eastern Division

FORREST K. EASON
Vice President Sales
Southwest Division

MICHAEL W. FELDSEER
Vice President
Total Quality

JOHN M. GAHAN
Vice President
Production Planning

JOE A. GEORGE, JR.
Vice President Sales
Southern Division

ROBERT G. LE LACHEUR
Vice President Sales
Northeast Division

GARY A. MUNSON
Vice President Sales
Western Division

E. JOHN PYSAR
Vice President
Research

E. C. NORRIS ROBERTS
Vice President
Finance

JOHN E. ROYCROFT
Vice President Sales
Central Division

WILLIAM E. SNELL
Vice President
3 Piece Can Manufacturing

RICHARD L. SZOCH
Vice President
Engineering

INTERNATIONAL DIVISION

WILLIAM R. HOWARD
Senior Vice President
Operations

F. PAUL WOHLFORD
Vice President
Manufacturing and Project Management

PLASTICS DIVISION

MICHAEL J. HOFFMAN
Vice President
Manufacturing

WARREN A. MILLER
Vice President
Finance, Administration and
Business Development

MACHINERY DIVISION

B. DOUGLAS GOODELL
Vice President

SUBSIDIARY DIVISION

WILLIAM J. BRAYER
Vice President

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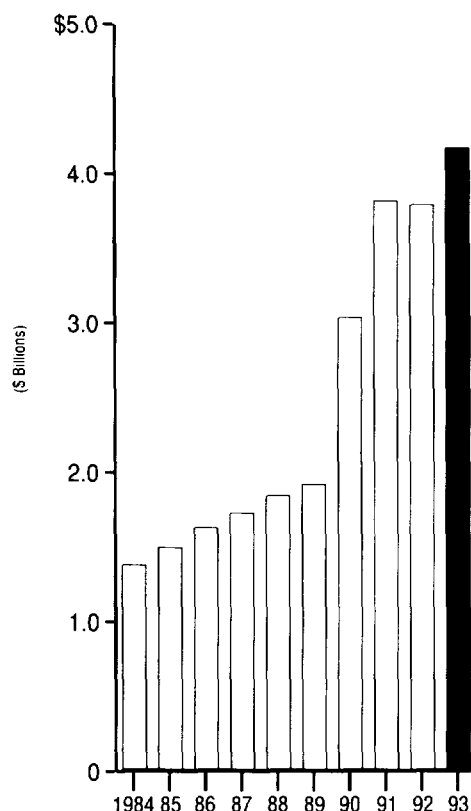


Corporate Highlights

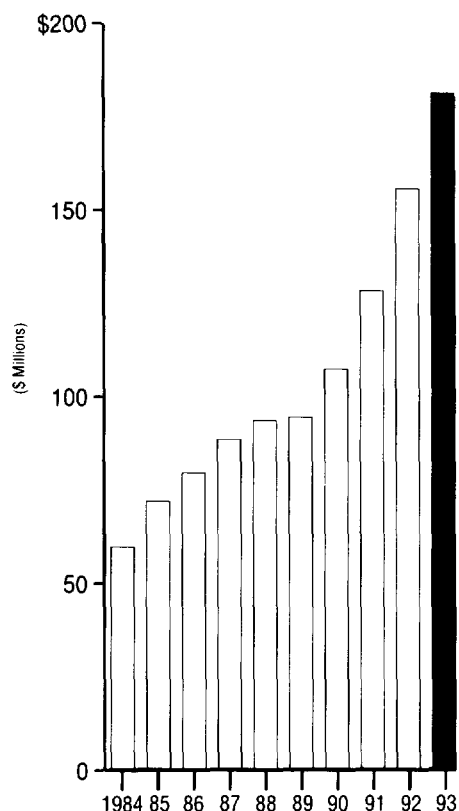
(in millions, except per share, employee, shareholder and statistical data)

	1993	1992	% Change
Net sales	\$ 4,162.6	\$ 3,780.7	10.1
Net income before cumulative effect of accounting changes	180.9	155.4	16.4
Per common share			
Earnings per share before cumulative effect of accounting changes	\$ 2.08	\$ 1.79	16.2
Book value	14.09	13.24	6.4
Market price	41.88	39.88	5.0
Total assets	\$ 4,216.9	\$ 3,825.1	10.2
Capital expenditures	271.3	150.6	80.1
Depreciation and amortization	191.7	142.4	34.6
Cash flow from operations	352.5	213.0	65.5
Return on average shareholders' equity*	14.6%	13.9%	5.0
Total debt to total capitalization	50.1%	52.1%	(3.8)
Number of employees	21,254	20,378	4.3
Number of shareholders	6,168	4,193	47.1
Average common shares outstanding	87,086,553	86,895,574	.2

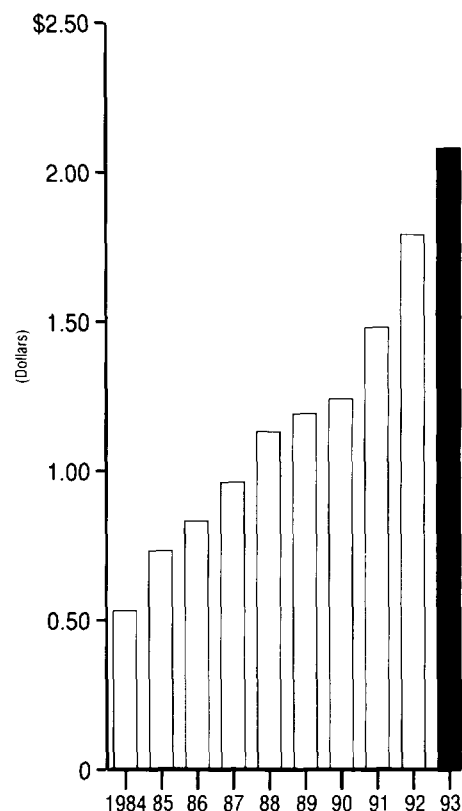
NET SALES



NET INCOME*



EARNINGS PER SHARE*



*1993 figures exclude the cumulative effect of accounting changes as described in Note B to the Consolidated Financial Statements.

Earnings per share for years prior to 1992 have been restated for comparative purposes to reflect the 3 for 1 common stock split declared in 1992.



Dear Fellow Shareholders:

We are pleased to report that the net income of the Company, before accounting changes, increased by 16.4% over 1992 to \$181 million. Net sales of \$4.2 billion were 10% over the prior year's \$3.8 billion.

These results have been achieved in what has been a difficult year in many of the markets in which the Company operates worldwide. A slowly recovering economy in the United States, a continuing recession in Europe, and a mixed economic situation in the Far East, produced a global economy which did not present the best opportunity to enhance the Corporation's profitability. We are continuing to review our operations to determine the correct number, size and location of plants to best service our customers; while giving an acceptable rate of return to our investors.

North American operations had a satisfactory year taking into consideration the market conditions, especially in the beverage can business. Falling aluminum costs passed through to customers, along with very competitive pricing, resulted in reduced beverage can revenues and pressure on margins. Volumes in the domestic market increased for aerosol and composite cans, while volume was flat in food cans and declined marginally in other products. The acquisition of Central States and Davies Can added to revenues and this, along with ongoing cost reduction programs, helped to maintain the profit margins. Our Canadian operation is showing positive signs of improvement, while Mexico will require further restructuring.

In the International Division, the actions we initiated in 1992 helped to sustain margins in 1993 and restructuring continued in 1993 with the closure of certain operations in France and The Netherlands. The market trends we referred to last year continued into 1993 with plastic closure volume increasing, while crown volumes declined, and aluminum closure volumes remained stable. Several new projects became operational in 1993. We commenced production of aerosol cans in a new facility near Amsterdam. Additionally, two new beverage can and plastic closure plants became operational, the Emirates Can Company joint-venture in the United Arab Emirates in April, and our wholly-owned subsidiary in Argentina, Aluplata, S.A., in February 1994. As a result of the actions taken and investments made, we are looking forward to a better year in 1994.



The Plastics Division, following the acquisition of Constar International in the U.S. and Wellstar in Europe, has grown considerably and now represents almost 20% of the Corporation's total sales. Demand for the Division's products in PET single-serve, hot-fill juice, and non-beverage applications grew substantially during the year, and we are investing to meet the requirements of the market. We also are actively integrating Constar into our organization and installing Crown systems and cost controls, as well as making other changes.

The Machinery Division experienced a year of increased sales, although competitive factors required us to downsize our operations in Belgium and Baltimore.

The Subsidiary Division, which supplies parts and overhaul services within the organization and to third parties, continued to grow with the addition of Wissota Tool in December 1992 and contributed to profits during the year.

Of the \$271 million total capital expenditure in 1993, investments of \$93 million were made in the North American Division including beverage can end conversions in Dayton, Ohio, 2-piece food cans in Owatonna, Minnesota and the new Technical Center and aerosol plant near Chicago in Alsip, Illinois.

In the International Division, we invested \$83 million including plastic cap production in Germany, Italy, the United Arab Emirates and Argentina, and also began construction in Shanghai, China and Argentina on beverage can plants.

In the Plastics Division, we invested \$94 million to meet the demand referred to earlier, and began construction of a new plant in Salt Lake City.

The Company continued to take a leading role in environmental affairs and has been recognized at both the Federal and State level for its active support of pollution prevention programs. The Code of Ethics, issued by the Company, requires employees to maintain the highest standards.

On April 16, 1993, we closed the acquisition of Van Dorn and simultaneously sold the Plastic Injection Molding Machinery Division to Mannesman Demag. On May 21, 1993, we finalized the 100% acquisition of all the Wellstar operations in Europe and have been actively restructuring these. We announced our participation in a joint venture in Jordan, to be known as 'Middle East Can Manufacturing Company' and on



January 17, 1994, we signed a Letter of Intent to acquire the Container Division of Tri Valley Growers.

After 37 years of service, we regret to announce that Frank N. Piasecki has decided not to stand for re-election to the Board of Directors. Frank, who is the longest-serving board member in Crown's 102-year history, has been of invaluable service to the Company. We wish him well in the future.

We are hopeful that the economies, worldwide, will continue the recovery that was partially evident toward the close of 1993. We have positioned the Company to develop the plastic packaging business to meet demands worldwide and recognize that market forces require substantial changes in our metal packaging operations which we are currently addressing.

We welcomed the employees of Van Dorn and Wellstar into the Crown organization during the year and look forward to the employees of Tri Valley Container Division joining us in 1994.

At the close of the year, the Company had over 21,000 employees worldwide with an additional 987 employed in minority-owned joint ventures in which we participate. I would like to thank all for their participation in, and contribution to, the Company's growth in 1993.

While we expect 1994 to be a challenging year, we are determined to continue to increase customer service, supply quality products, and enhance shareholder value.

Sincerely,

A handwritten signature in cursive script that reads "William J. Avery".

William J. Avery

Chairman of the Board, President
and Chief Executive Officer

March 23, 1994

Consolidated Statements of Income

(in millions, except per share amounts)

	1993	1992	1991
Net sales	<u>\$ 4,162.6</u>	<u>\$3,780.7</u>	<u>\$3,807.4</u>
Costs, expenses and other income			
Cost of products sold (excluding depreciation and amortization)	3,474.0	3,197.4	3,290.7
Depreciation and amortization	191.7	142.4	128.4
Selling and administrative expense	126.6	112.1	105.4
Interest expense	89.8	77.4	76.6
Interest income	(10.1)	(13.5)	(10.0)
Translation and exchange adjustments	10.8	10.2	7.5
	<u>3,882.8</u>	<u>3,526.0</u>	<u>3,598.6</u>
Income before income taxes and cumulative effect of accounting changes	279.8	254.7	208.8
Provision for income taxes . . . <i>Note O</i>	97.4	101.0	83.8
Income from operations	<u>182.4</u>	<u>153.7</u>	<u>125.0</u>
Equity in earnings of affiliates, net of minority interests . . . <i>Notes F and P</i>	(1.5)	1.7	3.1
Net income before cumulative effect of accounting changes	<u>180.9</u>	<u>155.4</u>	<u>128.1</u>
Cumulative effect of accounting changes for:			
Income taxes . . . <i>Note B</i>	23.5		
Postretirement benefits other than pensions, net of \$46.0 tax benefit . . . <i>Note B</i>	(89.2)		
Postemployment benefits, net of \$8.5 tax benefit . . . <i>Note B</i>	(16.1)		
Net income	<u>\$ 99.1</u>	<u>\$ 155.4</u>	<u>\$ 128.1</u>
Average common share data:			
Earnings before cumulative effect of accounting changes	\$ 2.08	\$ 1.79	\$ 1.48
Cumulative effect of accounting changes for:			
Income taxes27		
Postretirement benefits other than pensions	(1.03)		
Postemployment benefits	(.18)		
Earnings per average common share	<u>\$ 1.14</u>	<u>\$ 1.79</u>	<u>\$ 1.48</u>

The accompanying notes are an integral part of these financial statements.

Earnings per average common share for 1991 has been restated to reflect the 3 for 1 common stock split to shareholders of record as of May 12, 1992.

Consolidated Balance Sheets

(in millions, except share data)

December 31	1993	1992
Assets		
Current assets		
Cash and cash equivalents	\$ 54.2	\$ 26.9
Receivables .. Note D	532.9	583.8
Inventories .. Note E	699.7	659.9
Prepaid expenses and other current assets	37.7	31.3
Total current assets	1,324.5	1,301.9
Long-term notes and receivables	67.9	64.1
Investments .. Note F	42.6	55.6
Goodwill, net of amortization	1,119.1	994.1
Property, plant and equipment .. Note G	1,593.5	1,373.3
Other non-current assets	69.3	36.1
Total	\$4,216.9	\$3,825.1
Liabilities & Shareholders' Equity		
Current liabilities		
Short-term debt .. Note I	\$ 372.9	\$ 193.4
Current portion of long-term debt .. Note L	101.9	186.0
Accounts payable and accrued liabilities .. Note J	795.3	730.4
United States and foreign income taxes	10.6	17.6
Total current liabilities	1,280.7	1,127.4
Long-term debt, excluding current maturities .. Note L	891.5	939.9
Other non-current liabilities .. Note K	116.2	263.0
Postretirement and pension liabilities .. Note N	623.0	305.6
Minority interests .. Note P	53.7	45.6
Shareholders' equity		
Common stock with \$5.00 par value; 120,000,000 shares authorized; 118,490,814 shares issued	592.5	592.5
Additional paid-in capital	167.4	95.0
Retained earnings	843.1	744.0
Minimum pension liability adjustment .. Note N	(46.3)	
Cumulative translation adjustment	(156.5)	(127.2)
Treasury stock (1993 - 29,676,281 shares; 1992 - 32,142,634 shares)	(148.4)	(160.7)
Total shareholders' equity	1,251.8	1,143.6
Total	\$4,216.9	\$3,825.1

The accompanying notes are an integral part of these financial statements.

Certain reclassifications of prior years' data have been made to improve comparability.

Consolidated Statements of Cash Flows

(in millions)

	1993	1992	1991
Cash flows from operating activities			
Net income	\$ 99.1	\$155.4	\$128.1
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	191.7	142.4	128.4
Deferred income taxes	45.5	39.4	(12.5)
Equity in earnings of joint ventures, net of dividends	2.1	(1.7)	(2.9)
Cumulative effect of accounting changes	81.8		
Other, net	6.1	.7	3.8
Changes in assets and liabilities, net of businesses acquired:			
Receivables	69.2	(.3)	(79.6)
Inventories	5.2	(108.4)	26.8
Accounts payable and accrued liabilities	(140.2)	(2.1)	(38.4)
Other	(8.0)	(12.4)	21.9
Net cash provided by operating activities	<u>352.5</u>	<u>213.0</u>	<u>175.6</u>
Cash flows from investing activities			
Capital expenditures	(271.3)	(150.6)	(92.2)
Acquisition of businesses, net of cash acquired	(66.2)	(538.5)	(209.3)
Proceeds from sale of property, plant and equipment	11.9	31.7	1.0
Proceeds from sale of business	83.6		
Other, net	5.4	6.9	6.2
Net cash used for investing activities	<u>(236.6)</u>	<u>(650.5)</u>	<u>(294.3)</u>
Cash flows from financing activities			
Proceeds from long-term debt	548.3	532.7	465.1
Payments of long-term debt	(715.0)	(113.0)	(292.0)
Net change in short-term debt	136.5	78.7	(52.0)
Common stock:			
Repurchase for treasury	(86.5)	(61.4)	(69.1)
Issued under various employee benefit plans	30.0	17.1	9.6
Proceeds from public offering			66.0
Net cash (used for)/provided by financing activities	<u>(86.7)</u>	<u>454.1</u>	<u>127.6</u>
Effect of exchange rate changes on cash and cash equivalents	(1.9)	(9.9)	(10.5)
Net change in cash and cash equivalents	27.3	6.7	(1.6)
Cash and cash equivalents at January 1	<u>26.9</u>	<u>20.2</u>	<u>21.8</u>
Cash and cash equivalents at December 31	<u>\$ 54.2</u>	<u>\$ 26.9</u>	<u>\$ 20.2</u>

The accompanying notes are an integral part of these financial statements.

Consolidated Statements of Shareholders' Equity

(in millions, except share data)

	Common Stock	Paid-In Capital	Retained Earnings	Minimum Pension Liability	Cumulative Translation Adjustment	Treasury Stock	Total
Balance December 31, 1990	\$197.5	\$116.0	\$752.0		(\$ 61.4)	(\$ 53.3)	\$ 950.8
Net income - 1991			128.1				128.1
Stock repurchased:							
911,966 shares		(64.6)				(4.5)	(69.1)
Stock issued under stock option and employee savings plans:							
184,849 shares		8.7				.9	9.6
Stock offering - net:							
750,000 shares		62.2				3.8	66.0
Stock issued in business combinations:							
156,600 shares		12.1				.8	12.9
Translation adjustments					(13.9)		(13.9)
Balance December 31, 1991	197.5	134.4	880.1		(75.3)	(52.3)	1,084.4
Net income - 1992			155.4				155.4
Stock repurchased:							
1,747,774 shares		(52.7)				(8.7)	(61.4)
Stock issued under stock option and employee savings plans:							
775,423 shares		13.3				3.8	17.1
Three-for-one stock split	395.0		(291.5)			(103.5)	
Translation adjustments					(51.9)		(51.9)
Balance December 31, 1992	592.5	95.0	744.0		(127.2)	(160.7)	1,143.6
Net income - 1993			99.1				99.1
Stock repurchased:							
2,580,982 shares		(73.6)				(12.9)	(86.5)
Stock issued under stock option and employee savings plans:							
1,415,711 shares		23.6				7.0	30.6
Stock issued in business combination:							
3,631,624 shares		122.4				18.2	140.6
Minimum pension liability adjustment				(\$46.3)			(46.3)
Translation adjustments					(29.3)		(29.3)
Balance December 31, 1993	\$592.5	\$167.4	\$843.1	(\$46.3)	(\$156.5)	(\$148.4)	\$1,251.8

The accompanying notes are an integral part of these financial statements.

Share data for prior years has not been restated for the 3 for 1 common stock split declared in 1992.

Certain reclassifications of prior years' data have been made to improve comparability.



Notes to Consolidated Financial Statements

(in millions, except per share, employee, shareholder and statistical data)

(Share data for years prior to 1992 have been restated for the 3 for 1 common stock split declared in 1992.)

A. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of Crown Cork & Seal Company, Inc. and its wholly-owned and majority-owned subsidiary companies. All significant intercompany accounts and transactions are eliminated in consolidation. Investments in joint ventures and other companies in which Crown does not have control, but has the ability to exercise significant influence over operating and financial policies (generally greater than 20% ownership) are accounted for by the equity method. Other investments are carried at cost.

Foreign Currency Translation

For non-U.S. subsidiaries which operate in a local currency environment, assets and liabilities are translated into U.S. dollars at year-end exchange rates. Income and expense items are translated at average rates prevailing during the year. Translation adjustments for these subsidiaries are accumulated in a separate component of Shareholders' Equity. For non-U.S. subsidiaries which operate in U.S. dollars (functional currency) or whose economic environment is highly-inflationary, local currency inventories and plant and other property are translated into U.S. dollars at approximate rates prevailing when acquired; all other assets and liabilities are translated at year-end exchange rates. Inventories charged to cost of sales and depreciation are remeasured at historical rates; all other income and expense items are translated at average exchange rates prevailing during the year. Gains and losses which result from remeasurement are included in earnings.

Cash and Cash Equivalents

Cash equivalents represent investments with maturities of three months or less from the time of purchase, and are carried at cost which approximates fair value because of the short maturity of those instruments.

Inventory Valuation

Inventories are carried at the lower of cost or market, with cost for all domestic metal and plastic container, crown and closure inventories determined under the last-in, first-out (LIFO) method. Machinery Division and non-U.S. inventories are principally determined under the average cost method.

Goodwill

Goodwill, representing the excess of the cost over the net tangible and identifiable intangible assets of acquired businesses, is stated on the basis of cost and is amortized, principally on a straight-line basis, over the estimated future periods to be benefited (primarily 40 years). Accumulated amortization amounted to \$62.7 and \$35.1 at December 31, 1993 and 1992, respectively.

Property, Plant and Equipment

Property, plant and equipment (PP&E) is carried at cost and includes expenditures for new facilities and those costs which substantially increase the useful lives of existing PP&E. Maintenance, repairs and minor renewals are expensed as incurred. When properties are retired or otherwise disposed, the related costs and accumulated depreciation are eliminated from the respective accounts and profit or loss on disposition is reflected in income. Costs assigned to PP&E of acquired businesses are based on estimated fair value at the date of acquisition. Depreciation and amortization are provided on a straight-line basis for financial reporting and an accelerated basis for tax purposes. The useful lives range between 40 years for buildings and 5 years for vehicles.

Off-Balance Sheet Risk and Financial Instruments

The Company enters into forward exchange contracts, primarily in European currencies, to hedge certain foreign currency transactions for periods consistent with the terms of the underlying transactions. At December 31, 1993, the Company had contracts to purchase approximately \$37 and to sell approximately \$23 in foreign currency. Based on year-end exchange rates and the maturity dates of the various contracts, the estimated aggregate contract value approximates the fair value of these items at December 31, 1993.

Treasury Stock

Treasury stock is reported at par value and constructively retired. The excess of fair value over par value is first charged to paid-in capital, if any, and then to retained earnings.

Research and Development

Research, development and engineering expenditures which amounted to \$23.3, \$16.7 and \$16.1 in 1993, 1992 and 1991, respectively, are expensed as incurred.

Earnings Per Share

Earnings per share amounts are computed based on the weighted average number of shares actually outstanding during the period plus the shares that would be outstanding assuming the exercise of dilutive stock options, which are considered to be common stock equivalents. The number of equivalent shares that would be issued from the exercise of stock options is computed using the treasury stock method.

Reclassifications

Certain reclassifications of prior years' data have been made to improve comparability.

B. Accounting Changes

Effective January 1, 1993, the Company adopted, as required, SFAS No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions," and SFAS No. 109, "Accounting for Income Taxes." In the fourth quarter of 1993, effective January 1, 1993, the Company adopted SFAS No. 112, "Employers' Accounting for Postemployment Benefits." The incremental after-tax effect of these accounting changes was a non-cash charge to 1993 earnings of \$2.5 or \$.03 per share.

SFAS No. 106 requires employers to recognize the costs and obligations for postretirement benefits other than pensions over the employees' service lives. Previously, such costs were generally recognized as an expense when paid. The cumulative effect of implementing SFAS No. 106 as of January 1, 1993 resulted in a non-cash after-tax charge to net income of \$89.2 or \$1.03 per share.

SFAS No. 109 establishes new accounting and reporting standards for income taxes and requires adopting the liability method, which replaces the deferred method required by Accounting Principles Board Opinion (APB) No. 11. The cumulative effect of implementing SFAS No. 109 as of January 1, 1993 resulted in a non-cash increase to net income of \$23.5 or \$.27 per share.

SFAS No. 112 requires employers to accrue the costs and obligations of postemployment benefits (severance, disability, and related life insurance and health care benefits) to be paid to inactive or former employees. Prior to adoption, the Company had recognized expense for the cost of these benefits either on an accrual or on an "as paid" basis, depending on the plan. The cumulative effect of implementing SFAS No. 112 resulted in a non-cash after-tax charge to net income of \$16.1 or \$.18 per share as of January 1, 1993.



C. Acquisitions

On April 16, 1993, the Company's acquisition of the Van Dorn Company was completed through the issuance of 3,631,624 shares of the Company's common stock valued at approximately \$140, and the payment in cash of approximately \$37. The cash portion was financed through cash from operations. Van Dorn's Plastic Machinery Division was then sold on April 20, 1993 for approximately \$81 in cash to an affiliate of Mannesmann Demag, AG. During 1993, the Company through its affiliate, CONSTAR International, also acquired, in separate transactions, Wellman, Inc.'s 50% interest in Wellstar Acquisition, B.V., for consideration of approximately \$33 in cash, and the minority interest in Wellstar Acquisition's affiliate, Wellstar Holding, B.V. The Company now owns 100% of Wellstar Holding.

During 1992, the Company acquired the outstanding stock of CONSTAR International, Inc. (CONSTAR) for approximately \$519 in cash, which was financed through bank borrowings. Additionally, during 1992, the Company acquired in separate transactions with an aggregate cost of approximately \$20, the stock of a tooling and machine overhaul company in Wisconsin, the assets of a coil coating facility in Ohio and the assets of a crown manufacturer in Texas. The cost of these acquisitions was financed through cash from operations.

In 1991, the Company acquired all of the outstanding stock of Continental Can International Corporation, Inc. (Continental International) from Continental Can Europe, Inc. for \$125 in cash of which \$94 was financed through bank borrowings. Included in this acquisition were a wholly-owned subsidiary in Mexico, a majority-owned subsidiary in Hong Kong and minority interests in joint ventures in the Middle East, Asia and South America. During 1991, the Company also acquired, in separate transactions with an aggregate cost of approximately \$110, the stock of machinery operations in Florida and the Philadelphia area, the stock of a can manufacturer in Orlando, Florida, the assets of a beverage closure business in Virginia and the assets of a can manufacturer in Canada. The cost of these acquisitions was funded through the issuance of 469,800 shares of the Company's common stock valued at approximately \$13 and cash of approximately \$97. The cash portion was financed through bank borrowings of approximately \$85 and cash from operations of approximately \$12.

For financial reporting purposes, all of the acquisitions above were treated as purchases. An excess purchase price of approximately \$632 has been determined, based upon the fair values of assets acquired and liabilities assumed in connection with the above acquisitions. A final allocation of the purchase price for 1993 acquisitions will be determined during 1994 when appraisals and other studies, particularly relating to restructuring costs, are completed. The operating results of each acquisition are included in consolidated net income from the date of acquisition.

The following represents the unaudited pro forma results of operations as if the above noted business combinations had occurred at the beginning of the respective year in which the companies were acquired as well as at the beginning of the immediately preceding year:

(unaudited)	1993	1992
Net sales	\$4,250.3	\$4,630.1
Income before income taxes and cumulative effect of accounting changes	275.5	242.6
Net income before cumulative effect of accounting changes	179.2	147.2
Earnings per average common share before cumulative effect of accounting changes	\$ 2.06	\$ 1.69

The pro forma operating results include each company's results of operations for the indicated years with increased depreciation and amortization on property, plant and equipment along with other relevant adjustments to reflect fair market value. Interest expense on the acquisition borrowings has also been included.

The pro forma information given above does not purport to be indicative of the results that actually would have been obtained if the operations were combined during the periods presented, and is not intended to be a projection of future results or trends.

D. Receivables

	1993	1992
Accounts and notes receivable	\$482.3	\$533.1
Less: Allowance for possible losses	(6.2)	(6.7)
Net trade receivables	476.1	526.4
Miscellaneous receivables	56.8	57.4
	<u>\$532.9</u>	<u>\$583.8</u>

E. Inventories

	<u>1993</u>	<u>1992</u>
Finished goods and work in process	\$329.7	\$327.4
Raw materials and supplies	<u>370.0</u>	<u>332.5</u>
	<u>\$699.7</u>	<u>\$659.9</u>

Approximately 57% and 53% of worldwide inventories at December 31, 1993 and 1992, respectively, were stated on the last-in, first-out (LIFO) method of inventory valuation. Had average cost (which approximates replacement cost) been applied to such inventories at December 31, 1993 and 1992, total inventories would have been \$26.8 and \$37.6 higher, respectively.

F. Investments

	<u>1993</u>	<u>1992</u>
January 1	\$55.6	\$44.5
Change in reporting entity	(17.7)	(6.3)
Dividends received from equity affiliates	(7.1)	(4.6)
Equity in earnings of joint ventures	5.0	6.3
Sale of investments	(2.8)	
Change in cumulative translation on net assets of equity affiliates	(.3)	(3.9)
Acquisition of equity and investments in joint ventures	<u>9.9</u>	<u>19.6</u>
December 31	<u>\$42.6</u>	<u>\$55.6</u>

In January 1993, the Company sold 30% of its joint venture interest located in Saudi Arabia.

During 1993, CONSTAR International, a wholly-owned subsidiary, invested \$9.9 in new joint ventures, primarily in Mexico and Turkey.

In October 1992, the Company acquired all the outstanding stock of CONSTAR International. With this acquisition the Company acquired a direct voting interest in Wellstar Acquisition, B.V. (Wellstar), a Dutch joint venture. During 1993, the Company acquired the remaining interest in Wellstar and has consolidated its results since acquiring a majority interest.

During 1992, the Company determined that it had operational and financial control over its joint venture investment located in China. Accordingly, the Company has consolidated the financial results of this joint venture in 1992. The effect on the Company's financial position is not significant. There was no effect on consolidated 1992 net income and prior periods have not been restated for this change in reporting entity.

G. Property, Plant and Equipment

	<u>1993</u>	<u>1992</u>
Buildings	\$ 422.0	\$ 336.5
Machinery and equipment	<u>1,781.9</u>	<u>1,566.6</u>
	2,203.9	1,903.1
Less: Accumulated depreciation and amortization	(889.1)	(742.6)
	1,314.8	1,160.5
Land	92.0	76.2
Construction in progress	<u>186.7</u>	<u>136.6</u>
	<u>\$1,593.5</u>	<u>\$1,373.3</u>

H. Consolidated Non-U.S. Subsidiaries

The condensed financial statements of the majority-owned non-U.S. subsidiaries are as follows:

<u>Statements of income</u>	<u>1993</u>	<u>1992</u>	<u>1991</u>
Net sales	\$1,320.6	\$1,369.6	\$1,342.7
Costs, expenses and other income	(1,244.1)	(1,326.2)	(1,270.4)
Translation and exchange adjustments	(10.7)	(11.0)	(7.0)
Provision for income taxes	(21.9)	(19.3)	(25.7)
Minority interests	(6.5)	(4.6)	(3.1)
Net income before changes in accounting	<u>\$ 37.4</u>	<u>\$ 8.5</u>	<u>\$ 36.5</u>

Net income from consolidated non-U.S. subsidiaries in 1992 reflects the Company's continuing efforts to restructure its businesses in Europe and Canada.

Foreign exchange losses emanate primarily from the Company's holdings in Latin America. In 1991, the functional currency for the Company's affiliates in Mexico was changed to the local currency in accordance with the provisions of SFAS No. 52.

On May 16, 1991, the Company acquired all the outstanding stock of Continental Can International Corporation. With this acquisition, the Company acquired a wholly-owned subsidiary in Mexico and a majority-owned affiliate in Hong Kong. The results of operations from the date of acquisition and the financial position are consolidated herein.

Combined net assets of non-U.S. subsidiaries reflected in the Consolidated Balance Sheets are:

	<u>1993</u>	<u>1992</u>
Cash and cash equivalents	\$ 29.1	\$ 26.8
Other current assets	470.5	463.7
Goodwill (net)	195.3	148.5
Property, plant and equipment (net)	575.7	488.4
Other assets	<u>31.0</u>	<u>29.3</u>
Total assets	<u>1,301.6</u>	<u>1,156.7</u>
Current liabilities	403.8	400.3
Long-term debt	91.6	89.0
Deferred income taxes	19.6	55.8
Minority interests	53.7	45.6
Other liabilities	<u>68.3</u>	<u>50.0</u>
Total liabilities	<u>637.0</u>	<u>640.7</u>
Net assets	<u>\$ 664.6</u>	<u>\$ 516.0</u>

I. Short-Term Debt

	<u>1993</u>	<u>1992</u>	<u>1991</u>
Commercial paper	\$324.0	\$154.0	\$61.3
Notes payable to banks/overdrafts	<u>48.9</u>	<u>39.4</u>	<u>16.6</u>
	<u>\$372.9</u>	<u>\$193.4</u>	<u>\$77.9</u>

Weighted average interest rates on debt at year end:

Commercial paper	3.5%	5.4%	8.0%
Notes and overdrafts	8.5%	6.7%	17.5%

Weighted average interest rates on debt outstanding during year:

Commercial paper	3.6%	5.0%	7.3%
Notes and overdrafts	9.2%	11.3%	13.8%
Weighted average amount of debt outstanding during the year	\$529.5	\$255.7	\$289.3
Maximum short-term borrowings during the year	\$651.1	\$342.6	\$397.2

Domestic and Canadian operations' working capital requirements are funded on a short-term basis through the issuance of commercial paper. Short-term funds for certain international operations are obtained through bank overdrafts and short-term notes payable.

The weighted average interest rates for the years ending December 31, 1993, 1992 and 1991 were determined using the average rate for each month.

The Company has additional unused lines of credit amounting to \$550 available under formal borrowing arrangements with various banks.

J. Accounts Payable and Accrued Liabilities

	<u>1993</u>	<u>1992</u>
Trade accounts payable	\$492.9	\$446.7
Employee benefits	136.2	131.6
Salaries, wages and other compensation	23.2	23.6
Environmental	3.3	3.3
Restructuring	54.3	64.6
Deferred taxes	11.9	
Other	<u>73.5</u>	<u>60.6</u>
	<u>\$795.3</u>	<u>\$730.4</u>

Cash payments for interest were \$82.2 in 1993, \$78.4 in 1992 and \$87.3 in 1991.

K. Other Non-Current Liabilities

	<u>1993</u>	<u>1992</u>
Postemployment benefits	\$ 17.3	
Restructuring	50.9	\$ 30.3
Deferred taxes	19.6	196.4
Environmental	8.0	8.0
Other	<u>20.4</u>	<u>28.3</u>
	<u>\$116.2</u>	<u>\$263.0</u>

Recognition of tax benefits associated with postretirement benefits resulted in a decrease of \$190.4 in the deferred tax liability.



L. Long-Term Debt

	<u>1993</u>	<u>1992</u>
Long-term debt at December 31, consisted of the following:		
Private placements:		
9.17% notes due 6/30/93		\$100.0
8.49% notes due in three installments of \$50 from 3/31/94 through 3/31/96	\$150.0	150.0
Floating Rate Bank Term Loan due in three installments of \$50 from 12/31/95 through 12/31/97	150.0	150.0
Floating Rate Bank Term Loan due 4/16/94		525.0
CONSTAR 10.12% senior notes due in installments of \$5 from 9/15/93 through 9/15/98	25.0	30.0
Van Dorn 8.62% senior notes due in installments of \$4.47 from 12/1/93 through 12/1/01	35.8	
5.875% notes due 4/15/98	100.0	
6.75% notes due 4/15/03	199.3	
8.00% debentures due 4/15/23	199.3	
Other notes at various rates9
Total United States	<u>859.4</u>	<u>955.9</u>
Canadian dollar private placements:		
12.58% notes due 3/29/93		78.7
11.75% notes due 3/30/94	37.8	39.3
11.50% notes due 3/30/95	37.8	39.3
Hong Kong dollar notes: (1)		
Hibor + 1/2% (approx 4.25%) due in installments through 12/31/94	1.7	3.5
Hibor + 1/2% (approx 4.25%) due in installments through 7/31/93		1.2
Emirates Can Company term loan: (1)		
Dibor + 1% (approx 4%) due in twenty quarterly payments from 3/94 to 12/98	14.0	7.7
Aluplata OPIC Finance Agreement: (2)		
7.735% notes due in equal semi-annual installments from 7/96 through 1/02	28.8	
Belgium 3 year revolving loan agreement: (3)		
Bibor + 40 bp (approx 7.8%) repayment required 12/96	13.8	
Italy 5.61% bank note, final installment due 4/941	.3
Total International	<u>134.0</u>	<u>170.0</u>
Less: Current maturities	(101.9)	(186.0)
Total Long-term debt	<u>\$891.5</u>	<u>\$939.9</u>

Notes: (1) Such indebtedness is non-recourse to the Company and is guaranteed only by the assets of the respective subsidiary.

(2) Such indebtedness becomes non-recourse to the Company upon satisfaction of project completion requirements.

(3) Total facility is for 1,500 Belgian Francs. At December 31, 1993 500 Belgian Francs were drawn.

The aggregate maturities on all long-term debt are \$101.9, \$150.1, \$128.5, \$67.1 and \$117.1 for each of the years ending December 31, 1994 through 1998, respectively.

Proceeds from the shelf registration filed in January 1993 were used to repay the \$525 term loan. The Company has \$100 remaining on the shelf registration.

The carrying value of total debt as of December 31, 1993 and 1992 does not differ materially from its estimated market value.

M. Stock Options

All amounts below have been adjusted to reflect the 3 for 1 stock split to shareholders of record as of May 12, 1992.

In accordance with the Incentive Stock Option Plan adopted in December 1983, options to purchase 7,200,000 Common Shares have been granted to officers and key employees. Options were granted at market value on the date of grant and are exercisable beginning one year from date of grant and terminate up to ten years from date of grant.

Transactions for 1993, 1992 and 1991 are as follows:

	<u>1993</u>	<u>1992</u>	<u>1991</u>
Options outstanding January 1	482,040	841,275	1,171,854
Granted	0	0	0
Exercised	(366,540)	(348,735)	(326,079)
Canceled	(16,500)	(10,500)	(4,500)
Options outstanding at December 31	<u>99,000</u>	<u>482,040</u>	<u>841,275</u>
Options price range at December 31	\$10.44	\$10.44	\$ 8.65
		to	to
		\$14.08	\$14.08
Options exercisable at December 31	9,000	182,040	232,650
Options available for grant at December 31	0	0	0

In accordance with the non-qualified Stock Option Plan for senior executives, adopted in July 1984, options to purchase 1,980,000 Common Shares have been granted. Options were granted at market value on the date of grant and are exercisable beginning two years from date of grant and terminate five years from date of grant.

Transactions for 1993, 1992 and 1991 are as follows:

	<u>1993</u>	<u>1992</u>	<u>1991</u>
Options outstanding January 1	56,250	135,000	146,250
Granted	0	0	0
Exercised	(56,250)	(78,750)	(11,250)
Canceled	0	0	0
Options outstanding at December 31	<u>0</u>	<u>56,250</u>	<u>135,000</u>
Options price range at December 31		\$12.62	\$10.81
		to	to
		\$14.25	\$15.83
Options exercisable at December 31	0	33,750	11,250
Options available for grant at December 31	0	0	0

In accordance with the 1990 Stock-Based Incentive Compensation Plan adopted in December 1990, options to purchase 6,000,000 common shares can be granted to officers and key employees. Options were granted at market value on the date of grant and are exercisable beginning one to two years from date of grant and terminate up to ten years from date of grant. On April 25, 1991, the shareholders approved the proposal to amend the 1990 Stock-Based Incentive Compensation Plan to increase the number of shares available for awards by 1,500,000 to an aggregate of 6,000,000 shares.

Transactions for 1993, 1992 and 1991 are as follows:

	<u>1993</u>	<u>1992</u>	<u>1991</u>
Options outstanding January 1	4,005,300	4,513,500	3,516,000
Granted	765,854	283,800	1,243,500
Exercised	(971,589)	(585,375)	0
Canceled	(276,250)	(206,625)	(246,000)
Options outstanding at December 31	<u>3,523,315</u>	<u>4,005,300</u>	<u>4,513,500</u>
Options price range at December 31	\$16.96	\$16.96	\$16.96
	to	to	to
	\$40.00	\$38.50	\$23.33
Options exercisable at December 31	572,436	384,375	0
Options available for grant at December 31	919,721	1,409,325	1,486,500



N. Pensions and Other Retirement Benefits

Pensions

The Company sponsors various pension plans, covering substantially all U.S., Canadian and some non-U.S. and non-Canadian employees and participates in certain multi-employer pension plans. The company-sponsored plans are currently funded. The benefits for these plans are based primarily on years of service and the employees' remuneration near retirement. Contributions to multi-employer plans in which the Company and its non-U.S. and non-Canadian subsidiaries participate are determined in accordance with the provisions of negotiated labor contracts or applicable local regulations.

Plan assets of company-sponsored plans of \$1,253.4 consist principally of common stocks, including \$241.3 of the Company's common stock.

Pension income amounted to \$18.6 (including expense of \$5.7 for non-company sponsored plans) in 1993, income of \$4.8 (including expense of \$6.0 for non-company sponsored plans) in 1992 and expense of \$14.8 (including expense of \$3.8 for non-company sponsored plans) in 1991. Pension cost for non-U.S. and non-Canadian plans in 1993, 1992 and 1991 was determined under statutory accounting principles which are not considered materially different from U.S. generally accepted accounting principles.

The 1993, 1992 and 1991 components of pension cost for company-sponsored plans were as follows:

	1993	1992	1991
Service cost—benefits earned during the period	\$ 11.4	\$ 12.6	\$ 9.5
Interest cost on projected benefit obligations	99.3	100.7	90.3
Return on assets:			
—actual	(133.5)	(134.1)	(261.0)
—deferred gain	4.7	13.4	174.0
Amortization of net unrecognized gain at January 1, 1986	(.7)	(.7)	(.7)
Amortization of net unrecognized gain	(5.5)	(3.9)	(1.1)
Cost attributable to plant closings		1.2	
Total pension (income) cost	<u>(\$ 24.3)</u>	<u>(\$ 10.8)</u>	<u>\$ 11.0</u>

The funded status of company-sponsored plans, including the assets and liabilities assumed in connection with acquisitions, at December 31, 1993 and 1992 was as follows:

	Plans in which			
	Accumulated Benefits Exceeded Assets		Assets Exceeded Accumulated Benefits	
	1993	1992	1993	1992
Actuarial present value of:				
Vested benefit obligation	(\$1,058.2)	(\$652.1)	(\$236.5)	(\$509.3)
Non-vested benefits	(13.2)	(15.2)	(2.6)	(4.6)
Accumulated benefit obligation	<u>(\$1,071.4)</u>	<u>(\$667.3)</u>	<u>(\$239.1)</u>	<u>(\$513.9)</u>
Actuarial present value of projected benefit obligation	(\$1,085.4)	(\$673.9)	(\$261.9)	(\$541.1)
Plan assets at fair value	901.8	564.2	351.6	636.8
Plan assets in excess of (less than) projected benefit obligation	(183.6)	(109.7)	89.7	95.7
Unrecognized (gain) loss at January 1, 1986	.5	.5	(6.0)	(6.9)
Unrecognized net (gain) loss since 1986	96.6	(.1)	(32.6)	(57.9)
Unrecognized prior service cost	1.7	1.1	1.6	2.0
Minimum liability	(84.8)	(12.2)		
(Accrued)/Prepaid pension cost at December 31	<u>(\$ 169.6)</u>	<u>(\$120.4)</u>	<u>\$ 52.7</u>	<u>\$ 32.9</u>

In addition to total pension (income) cost shown above, accrued pension cost includes \$36.1 and \$10.5 related to plan curtailments resulting from plant closings in 1992 and 1991, respectively, the effects of which were allocated to the purchase price of acquired companies.

The Company recognized a minimum pension liability for underfunded plans. The minimum liability is equal to the excess of the accumulated benefit obligation over plan assets. A corresponding amount is recognized as either an intangible asset, to the extent of previously unrecognized prior service cost and previously unrecognized transition obligation, or a reduction of shareholders' equity. The Company had recorded additional liabilities of \$84.8 and \$12.2 as of December 31, 1993 and 1992, respectively. An intangible asset of \$1.5 and a shareholders' equity reduction, net of income taxes, of \$46.3 was recorded as of December 31, 1993. The additional liability recognized at December 31, 1992 was allocated to the purchase price of acquired companies.

The weighted average actuarial assumptions for the Company's pension plans are as follows:

	1993	1992	1991
Discount rate	7.1%	8.8%	8.6%
Compensation increase	5.2%	5.2%	5.2%
Long-term rate of return	11.0%	11.0%	10.0%

Other Postretirement Benefit Plans

The Company and certain subsidiaries sponsor unfunded plans to provide health care and life insurance benefits to pensioners and survivors. Generally, the medical plans pay a stated percentage of medical expenses reduced by deductibles and other coverages. Life insurance benefits are generally provided by insurance contracts. The Company reserves the right, subject to existing agreements, to change, modify or discontinue the plans.

The net postretirement benefit cost for 1993 was comprised of the following components:

Service cost for benefits earned during the year	\$ 3.6
Interest cost on accumulated postretirement benefit obligation	<u>45.0</u>
Net postretirement benefit cost	<u>\$ 48.6</u>

Health care claims and life insurance benefits paid totaled \$41.6 in 1993, \$35.2 in 1992 and \$25.1 in 1991.

The following provides a reconciliation of the accumulated postretirement benefit obligation to the liabilities recognized in the Company's balance sheet as of December 31, 1993:

Retirees	(\$461.2)
Fully eligible active plan participants	(96.7)
Other active plan participants	(79.2)
Total accumulated obligation	(637.1)
Unrecognized net loss	<u>89.1</u>
Accrued postretirement benefit obligation	<u>(\$548.0)</u>

The health care accumulated postretirement benefit obligation was determined using a health care cost trend rate of 12.5% decreasing to 7% over fifteen years. The assumed long-term rate of compensation increase used for life insurance was 5%. The discount rate used was 7.1%. Changing the assumed health care cost trend rate by one percentage point in each year would change the accumulated postretirement benefit obligation by \$50.0 and the postretirement net benefit cost by \$4.1.

Employee Savings Plan

The Company, commencing in 1991, sponsors a Savings Investment Plan which covers all domestic salaried employees who are 21 years of age with one or more years of service. The Company matches with equivalent value of Company stock, up to 1.5% of a participant's compensation. The Company's 1993, 1992 and 1991 contributions were approximately \$.9, \$.9 and \$.6, respectively.



O. Income Taxes

In August 1993, a new income tax law was enacted which increased the maximum corporate income tax rate from 34 percent to 35 percent. The impact on deferred tax assets and liabilities from this change was not significant.

Pretax income before cumulative effect of accounting changes for the years ended December 31 was taxed under the following jurisdictions:

	<u>1993</u>	<u>1992</u>	<u>1991</u>
Domestic	\$214.0	\$222.3	\$143.5
Foreign	<u>65.8</u>	<u>32.4</u>	<u>65.3</u>
	<u>\$279.8</u>	<u>\$254.7</u>	<u>\$208.8</u>

The provision for income taxes consists of the following:

	<u>1993</u>	<u>1992</u>	<u>1991</u>
Current tax provision:			
U.S. Federal		\$ 6.0	\$ 25.5
State and foreign	<u>\$ 17.8</u>	<u>26.3</u>	<u>16.0</u>
	<u>17.8</u>	<u>32.3</u>	<u>41.5</u>
Deferred tax provision:			
U.S. Federal	74.5	73.5	31.4
State and foreign	<u>5.1</u>	<u>(4.8)</u>	<u>10.9</u>
	<u>79.6</u>	<u>68.7</u>	<u>42.3</u>
	<u>\$ 97.4</u>	<u>\$101.0</u>	<u>\$ 83.8</u>

The provision for income taxes differs from the amount of income tax determined by applying the applicable U.S. statutory federal income tax rate to pretax income as a result of the following differences:

	<u>1993</u>	<u>1992</u>	<u>1991</u>
Statutory U.S. tax rates	35.0%	34.0%	34.0%
Non-U.S. operations taxed at higher rates	1.2	4.7	4.3
Other items, net.	<u>(1.4)</u>	<u>1.0</u>	<u>1.8</u>
Effective income tax rate	<u>34.8%</u>	<u>39.7%</u>	<u>40.1%</u>

The Company paid federal, state, local and foreign (net) income taxes of \$11.7 for 1993, \$38.7 for 1992 and \$70.1 for 1991.

The components of deferred tax assets and liabilities at December 31, 1993 follow:

	<u>Asset</u>	<u>Liability</u>
Depreciation		\$219.2
Postretirement and postemployment benefits	\$197.2	
Accruals	13.0	
Inventories		47.2
Tax loss carryforwards	37.2	
Restructuring	34.2	
Other	<u>17.6</u>	<u>12.4</u>
	<u>299.2</u>	<u>278.8</u>
Valuation allowance	<u>(31.3)</u>	
	<u>\$267.9</u>	<u>\$278.8</u>

Other non-current assets includes \$20.6 of deferred tax assets.

Approximately \$37.2 of deferred tax assets relating to net operating losses and tax basis differences were available in various foreign tax jurisdictions at December 31, 1993, expiring in the following years:

1994	\$.1
19953
19962
1997	2.9
1998	4.6
1999	1.6
2000	2.2
2001	1.3
Unlimited	<u>24.0</u>
Total	37.2
Portion applicable to minority interests	(4.0)
Net future benefit available	<u>\$33.2</u>

The Company believes that it is more likely than not that \$3.8 of these benefits will be realized by offsetting existing taxable temporary differences that will reverse within the carryforward period. An additional \$2.1 is expected to be realized by achieving future profitable operations based on actions taken by the Company.

No net benefit has been recorded for the remaining items. Future recognition of these carryforwards will be made either when the benefit is realized or when it has been determined that it is more likely than not that the benefit will be realized against future earnings. No other tax operating loss or credit carryforwards exist for which the Company has recognized a net financial benefit.

The cumulative amount of the Company's share of undistributed earnings of non-U.S. subsidiaries for which no deferred taxes have been provided was \$401.2, \$385.2 and \$419.1 as of December 31, 1993, 1992 and 1991, respectively. Management has no plans to distribute such earnings in the foreseeable future.

P *Minority Interests*

	<u>1993</u>	<u>1992</u>
January 1	\$45.6	\$14.2
Formation of new jointly-owned subsidiaries	7.7	24.4
Minority interest in net income of consolidated subsidiaries	6.5	4.6
Change in cumulative translation adjustment	(5.4)	(.5)
Dividends paid to minority shareholders	(1.3)	(3.4)
Investment by minority holders6	
Change in reporting entity		<u>6.3</u>
December 31	<u>\$53.7</u>	<u>\$45.6</u>

During 1993, the Company formed jointly-owned subsidiaries in China.

During 1992, the Company formed jointly-owned subsidiaries in the United Arab Emirates (Dubai) and South Africa.



Q. Leases

Minimum rental commitments under all noncancelable operating leases, primarily real estate, in effect at December 31, 1993 are:

Years ending December 31	
1994	\$21.7
1995	17.8
1996	12.7
1997	10.2
1998	9.4
Thereafter	11.7
Total minimum payments	83.5
Less: Total minimum sublease rentals	(6.5)
Net minimum rental commitments	<u>\$77.0</u>

Operating lease rental expense (net of sublease rental income of \$1.0 in 1993, 1992 and 1991) was \$21.9 in 1993, \$10.2 in 1992 and \$7.9 in 1991.

R. Quarterly Data (unaudited)

	1993				1992			
	First	Second	Third	Fourth	First	Second	Third	Fourth
Net sales	\$913.1	\$1,168.6	\$1,145.7	\$935.2	\$839.4	\$1,018.1	\$1,020.9	\$902.3
Cost of products sold	813.9	1,023.0	997.3	831.5	749.6	888.3	892.4	809.5
Net income before cumulative effect of accounting changes	29.4	56.6	59.7	35.2	26.4	48.7	50.5	29.8
Cumulative effect of accounting changes	(81.8)							
Net income (loss)	(52.4)	56.6	59.7	35.2	26.4	48.7	50.5	29.8
Per share								
Income before cumulative effect of accounting changes	.35	.65	.68	.40	.30	.56	.58	.35
Cumulative effect of accounting changes	(.96)							
Net income (loss)	(.61)	.65	.68	.40	.30	.56	.58	.35
Market Price								
High	40 $\frac{7}{8}$	40	38 $\frac{3}{8}$	41 $\frac{1}{8}$	30 $\frac{1}{2}$	34 $\frac{1}{2}$	36 $\frac{3}{8}$	41 $\frac{1}{8}$
Low	35	36	33 $\frac{1}{4}$	35 $\frac{1}{4}$	27 $\frac{3}{8}$	29 $\frac{3}{8}$	30 $\frac{3}{8}$	34 $\frac{3}{8}$

The closing price of the Company's common stock at December 31, 1993 and 1992 was \$41.88 and \$39.88, respectively.

Restatement of previously reported 1993 quarterly data to reflect accounting changes resulted in an increase in the net loss of \$16.1 and an increase in the net loss per share of \$.18 for the first quarter of 1993. The restatement does not have a material effect on net income for the second and third quarters of 1993.

S. Segment Information by Industry and Geographic Area**A. Industry Segment**

	Net Sales	Operating Profit	% To Net Sales	Identifiable Assets	Depreciation & Amortization	Capital Expenditures
1993						
Metal Packaging & Other (2) . . .	\$3,367.0	\$308.5	9.2	\$3,139.3	\$140.0	\$152.3
Plastic Packaging	795.6	70.2	8.8	1,023.4	51.7	119.0
Consolidated (6) . . .	<u>\$4,162.6</u>	<u>\$378.7 (4)</u>	9.1	<u>\$4,162.7(5)</u>	<u>\$191.7</u>	<u>\$271.3</u>
1992						
Metal Packaging & Other (2) . . .	\$3,573.1	\$296.4	8.3	\$3,014.0	\$128.5	\$133.2
Plastic Packaging	207.6	23.6	11.4	784.2	13.9	17.4
Consolidated (6) . . .	<u>\$3,780.7</u>	<u>\$320.0 (4)</u>	8.5	<u>\$3,798.2 (5)</u>	<u>\$142.4</u>	<u>\$150.6</u>
1991						
Metal Packaging & Other (2) . . .	\$3,733.0	\$261.4	7.0	\$2,867.9	\$121.9	\$ 87.9
Plastic Packaging	74.4	10.6	14.2	75.4	6.5	4.3
Consolidated	<u>\$3,807.4</u>	<u>\$272.0 (4)</u>	7.1	<u>\$2,943.3 (5)</u>	<u>\$128.4</u>	<u>\$ 92.2</u>

B. Geographic Area

1993						
United States	\$2,842.0	\$290.2	10.2	\$2,890.2	\$133.2	\$139.8
Europe	569.1	32.4	5.7	461.1	25.4	57.0
North and Central America	464.0	23.3	5.0	528.8	24.0	14.2
Other Non-U.S.	287.5	32.8	11.4	282.6	9.1	60.3
Consolidated (6) . . .	<u>\$4,162.6 (1)</u>	<u>\$378.7 (4)</u>	9.1	<u>\$4,162.7 (5)</u>	<u>\$191.7</u>	<u>\$271.3</u>
1992						
United States	\$2,411.1	\$252.8	10.5	\$2,668.3	\$ 90.7	\$ 87.5
Europe	580.2	28.4 (3)	4.9	325.7	19.0	21.6
North and Central America	497.1	9.1 (3)	1.8	599.0	24.7	15.9
Other Non-U.S.	292.3	29.7	10.2	205.2	8.0	25.6
Consolidated (6) . . .	<u>\$3,780.7 (1)</u>	<u>\$320.0 (4)</u>	8.5	<u>\$3,798.2 (5)</u>	<u>\$142.4</u>	<u>\$150.6</u>
1991						
United States	\$2,464.7	\$169.2	6.9	\$1,764.0	\$ 79.9	\$ 52.3
Europe	539.9	43.8	8.1	337.4	19.0	13.7
North and Central America	547.1	28.3	5.2	680.5	23.9	22.0
Other Non-U.S.	255.7	30.7	12.0	161.4	5.6	4.2
Consolidated	<u>\$3,807.4 (1)</u>	<u>\$272.0 (4)</u>	7.1	<u>\$2,943.3 (5)</u>	<u>\$128.4</u>	<u>\$ 92.2</u>

(1) Transfers between Geographic Areas are not material.

(2) Within "Metal Packaging and Other" is the Company's machinery operation which along with other non-metal packaging domestic affiliates are not significant individually or in the aggregate so as to be reported as a separate segment.

(3) Operating profit for 1992 in Europe and North and Central America includes charges made during the year relating to the Company's continuing efforts to restructure its businesses in these regions.

(4) The following reconciles operating profit to pre-tax income:

	1993	1992	1991
Operating profit	\$378.7	\$320.0	\$272.0
Interest and other corporate income (expense)*	(98.9)	(65.3)	(63.2)
Pre-tax income	<u>\$279.8</u>	<u>\$254.7</u>	<u>\$208.8</u>

*Includes interest income and expense along with other corporate income and expense items, such as exchange gains and losses and goodwill amortization.



(5) The following reconciles identifiable assets to total assets:

	<u>1993</u>	<u>1992</u>	<u>1991</u>
Identifiable assets	\$4,162.7*	\$3,798.2**	\$2,943.3***
Corporate assets	<u>54.2</u>	<u>26.9</u>	<u>20.2</u>
Total assets	<u>\$4,216.9</u>	<u>\$3,825.1</u>	<u>\$2,963.5</u>

* Included in identifiable assets for 1993 is:

(a) "United States," \$96, relating to the acquisition of the Van Dorn Company.

(b) "Europe," \$42, relating to the acquisition of the remaining interest in CONSTAR International's affiliate, Wellstar Acquisition, B.V. and its affiliate Wellstar Holdings, B.V.

** Included in identifiable assets for 1992 is \$525, relating to the acquisition of CONSTAR International.

*** Included in identifiable assets for 1991 is:

(a) "United States," \$150.1, relating to the acquisition of Continental Can International Corporation and other domestic companies as outlined in Note C to the financial statements.

(b) "North America," \$61.4, relating to the acquisition of Continental Can International's affiliate in Mexico.

(c) "Other Non-U.S.," \$40.1, relating to the acquisition of Continental Can International's affiliate in Hong Kong.

(6) For the year ended December 31, 1993 and prior to 1992, no one customer accounted for more than 10% of the Company's net sales. For 1992, one customer accounted for approximately 10.6% of the Company's net sales.

Included in "Other Non-U.S." are affiliates in South America, Africa, Asia and the Middle East. Figures for the United States are not comparable due to the late 1992 acquisition of CONSTAR International and the April 1993 acquisition of the Van Dorn Company. Figures for Europe are not comparable due to the 1993 acquisitions of Wellman's interest in Wellstar Acquisition, B.V. and the minority interest in Wellstar Acquisition's affiliate, Wellstar Holding, B.V.

Certain reclassifications of prior years' data have been made to improve comparability.

FIVE YEAR SUMMARY OF SELECTED FINANCIAL DATA

(in millions, except per share, ratios and other statistics)

	1993	1992	1991	1990	1989
Summary of operations					
Earnings per average common share before cumulative effect of accounting changes . . . (1)	\$ 2.08	\$ 1.79	\$ 1.48	\$ 1.24	\$ 1.19
Earnings per average common share (1)	1.14	1.79	1.48	1.24	1.19
Net income before cumulative effect of accounting changes	180.9	155.4	128.1	107.1	94.2
% to net sales	4.3%	4.1%	3.4%	3.5%	4.9%
Net Income	99.1	155.4	128.1	107.1	94.2
% to net sales	2.4%	4.1%	3.4%	3.5%	4.9%
Net sales	4,162.6	3,780.7	3,807.4	3,072.1	1,909.8
Depreciation and amortization	191.7	142.4	128.4	102.0	61.8
Selling and administrative	126.6	112.1	105.4	86.2	53.2
% to net sales	3.0%	3.0%	2.8%	2.8%	2.8%
Interest expense	89.8	77.4	76.6	59.9	11.9
Interest income	10.1	13.5	10.0	8.3	16.4
Taxes on income	97.4	101.0	83.8	71.3	53.9
Return on average shareholders' equity (3)	8.3%	13.9%	12.6%	12.2%	12.9%

Financial Position at December 31

Total assets	\$4,216.9	\$3,825.1	\$2,963.5	\$2,596.4	\$1,655.1
Working capital ratio	1.0:1	1.1:1	1.4:1	1.3:1	1.2:1
Short-term debt plus current maturities	474.8	379.4	184.4	128.4	157.6
Long-term debt	891.5	939.9	585.0	484.3	94.0
Total debt to total capitalization (2)	50.1%	52.1%	40.5%	38.3%	22.6%
Shareholders' equity	1,251.8	1,143.6	1,084.4	950.8	810.6
Book value per common share (1)	14.09	13.24	12.45	10.99	9.40

Other Statistics

Capital expenditures	\$ 271.3	\$ 150.6	\$ 92.2	\$ 128.0	\$ 88.6
Employees	21,254	20,378	17,763	17,205	14,747
Number of shareholders	6,168	4,193	3,722	3,714	3,873
Number of shares — at year-end (1)	88,814,533	86,348,180	87,088,179	86,549,730	86,202,462
— average (1)	87,086,553	86,895,574	86,780,517	86,548,086	78,957,792

(1) All data relating to common shares prior to 1992 have been restated for comparative purposes to reflect the 3 for 1 common stock split in 1992.

(2) Total capitalization includes total debt (net of cash and cash equivalents), minority interests and shareholders' equity.

(3) 1993 figures reflect cumulative effect of accounting changes of \$81.8 or \$.96 per share.

Certain reclassifications of prior years' data have been made to improve comparability.





Management's Report to Crown Shareholders

The accompanying financial statements of Crown Cork & Seal Company, Inc. and its consolidated subsidiaries were prepared by management, which is responsible for their integrity and objectivity. The statements were prepared in accordance with generally accepted accounting principles and include amounts that are based on management's best judgments and estimates. The other financial information included in this Annual Report is consistent with that in the financial statements.

The Company maintains accounting and reporting systems supported by an internal accounting control system, which management believes are adequate to provide reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition and financial records are reliable for preparing financial statements.

The adequacy of the Company's internal accounting controls and the accounting principles employed in financial reporting are under the general oversight of the Audit Committee of the Board of Directors. This Committee also has responsibility for employing the independent accountants. No member of this Committee is an Officer or full-time employee of the Company or any subsidiary.


W. J. Avery
Chairman of The Board,
President and
Chief Executive Officer


A. W. Rutherford
Executive Vice President,
Chief Financial Officer

Report of Independent Accountants

To the Shareholders and Board of Directors of Crown Cork & Seal Company, Inc.

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of income, of shareholders' equity and of cash flows appearing on pages 8 to 26 of this report, present fairly, in all material respects, the financial position of Crown Cork & Seal Company, Inc. and its subsidiaries at December 31, 1993 and 1992, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1993, in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit

includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe our audits provide a reasonable basis for the opinion expressed above.

As discussed in Note B, the Company changed its methods of accounting for income taxes, postretirement benefits and postemployment benefits in 1993.


Price Waterhouse
Thirty South Seventeenth Street
Philadelphia, Pennsylvania 19103
March 14, 1994

Management's Discussion and Analysis

(in millions, except per share, employee, shareholder and statistical data)

Management's discussion and analysis should be read in conjunction with the financial statements and the notes thereto.

Share data for prior years have been restated for the 3 for 1 common stock split declared in 1992.

RESULTS OF OPERATIONS

NET INCOME AND EARNINGS PER SHARE BEFORE CUMULATIVE EFFECT OF ACCOUNTING CHANGES

Net income before cumulative effect of accounting changes for 1993 was a record \$180.9, an increase of 16.4% compared with \$155.4 for 1992. Net income for 1991 was \$128.1. Net income for 1992 and 1991 represents increases of 21.3% and 19.6%, respectively, over the preceding year. Earnings per share before cumulative effect of accounting changes for 1993 was a record \$2.08 per share, an increase of 16.2% compared with \$1.79 per share for 1992. Earnings per share for 1991 was \$1.48 per share. Earnings per share for 1992 and 1991 represents increases of 20.9% and 19.4%, respectively, over the preceding year. The sum of per share earnings by quarter does not equal earnings per share for the year ended December 31, 1993, due to the effect of shares issued during 1993.

SALES

Net sales during 1993 were \$4,162.6, an increase of \$381.9 or 10.1% versus 1992 net sales of \$3,780.7. Net sales during 1991 were \$3,807.4. Domestic sales increased by \$430.9 or 17.9% in 1993 versus 1992, while 1992 domestic net sales decreased \$53.6 or 2.2% versus 1991. Domestic net sales in 1991 increased 38.3% over 1990. The increase in 1993 domestic net sales primarily reflects (i) a full year sales of CONSTAR, \$600 in 1993 versus approximately \$100 in 1992 for two months from the date of acquisition, (ii) \$130 from the acquisition of Van Dorn and (iii) increased sales unit volume in aerosol and composite cans; offset by (i) lower raw material costs which were passed on to customers in the form of reduced selling prices and (ii) continued competitive pricing in the North America beverage can market. The decrease in 1992 domestic net sales was primarily a result of lower material costs passed on as reduced selling prices to customers offset partially by the addition of CONSTAR sales of \$100 for two months. The increase in 1991 net sales was primarily due to the Company's acquisitions as described in Note C to the Consolidated Financial Statements.

International sales decreased \$49 or 3.6% in 1993 versus 1992, which compares to increases of 2.0% and 4.0% in 1992 and 1991 over the respective preceding years. The decrease in international net sales reflects (i) \$100 due to the continued strengthening of the U.S. dollar against most currencies in which the Company's affiliates operate and (ii) the continuing recession in Europe; offset partially by the acquisition of Wellstar Holding B.V. which contributed \$85 from the date of acquisition. International sales unit volumes for plastic closures, beverage cans, food cans and aerosol cans improved in 1993, while crown volumes declined.

COST OF PRODUCTS SOLD

Cost of products sold, excluding depreciation and amortization for 1993 was \$3,474.0, an 8.7% increase from the \$3,197.4 in 1992. This increase follows a 2.8% decrease and a 24.6% increase in 1992 and 1991, respectively. The increase in 1993 cost of products sold primarily reflects increased sales levels as noted above offset by lower raw material costs and continuing company-wide cost containment programs. The 1992 decrease was primarily due to lower material costs while the 1991 increase reflects higher sales level of the Company's products.

As a percent of net sales, cost of products sold was 83.5% in 1993 as compared to 84.6% in 1992 and 86.4% in 1991.

SELLING AND ADMINISTRATIVE

Selling and administrative expenses for 1993 were \$126.6, an increase of 12.9% over 1992. This increase compares to increases of 6.4% for 1992 and 22.3% for 1991. Selling and administrative expenses have increased in recent years as a result of businesses acquired. As a percent of net sales, selling and administrative expenses were 3.0% in 1993 and 1992, and 2.8% in 1991.

OPERATING INCOME

The Company views operating income as the measure of its performance before interest costs and other non-operating expenses. Operating income of \$378.7 in 1993 was \$58.7, or 18.3% greater than in 1992. Operating income



Management's Discussion and Analysis

was \$320.0 in 1992, an increase of 17.6% over 1991, and \$272.0 in 1991, an increase of 17.1% versus 1990. Operating income as a percent of net sales was 9.1% in 1993 as compared to 8.5% in 1992 and 7.1% in 1991.

Operating profit in the Company's U.S. operations was 10.2% of net sales in 1993 versus 10.5% and 6.9% in 1992 and 1991, respectively. Productivity improvement, research and development and continuing programs to contain and reduce cost have all contributed to retain and increase domestic margins in 1993 and 1992 despite competitive pricing pressures.

European operating profit increased to 5.7% of net sales in 1993 from 4.9% in 1992. The higher operating profit margins reflect the benefits associated with the Company's continuing efforts to restructure its European operations in response to the changing economic environment in the region.

Operating profit in North and Central America (other than the United States) at \$23.3 in 1993 was 5.0% of net sales as compared to 1.8% in 1992. These increased results are a result of (i) costs associated with closing three Canadian plants in 1992 and (ii) better market conditions and demand in 1993 compared to 1992 in Canada; offset by lower unit sales in most product lines in Mexico. The Company is pleased with the signs of improvement in its Canadian operations, a result of several restructuring actions taken in 1992 and 1991 and is poised to take the necessary steps to compete in the changing economic environment in Mexico.

NET INTEREST EXPENSE/INCOME

Net interest expense was \$79.7 in 1993, an increase of \$15.8 when compared to 1992 net interest of \$63.9. Net interest expense was \$66.6 in 1991. The increase in 1993 net interest expense is due primarily to bank borrowings necessary to finance the CONSTAR acquisition, offset by lower interest rates and the repayment of a \$100 note in June 1993 which carried an interest rate of 9.17%. The decrease in 1992 net interest expense was due to declining interest rates and the repayment, in June 1992, of a \$100 note which had an interest rate of 9.13%. The increase in 1991 net interest expense was due to bank borrowings necessary to fund 1991 and 1990 acquisitions. Specific information regarding acquisitions is found in Note C to the Consolidated Financial Statements, while information specific to company financing is presented in the Liquidity and Capital Resources section of this discussion and Notes I and L to the Consolidated Financial Statements.

TAXES ON INCOME

The effective tax rates on income were 34.8%, 39.7% and 40.1% in 1993, 1992 and 1991, respectively. The lower effective rate for 1993 was primarily a result of lower effective tax rates in non-U.S. operations compared to 1992. The higher effective tax rates versus the U.S. statutory rate in 1992 and 1991 are primarily due to the effect of different tax rates in non-U.S. operations and the increase in non-deductible amortization of goodwill and other intangibles, as a result of recent acquisitions.

EQUITY IN EARNINGS OF AFFILIATES, NET OF MINORITY INTERESTS

Equity in earnings of affiliates was \$5.0, \$6.3 and \$6.2 for 1993, 1992 and 1991, respectively. The decrease in equity earnings in 1993 is primarily a result of the Company selling 30% of its interest in its joint venture in Saudi Arabia.

Minority interests were \$6.5, \$4.6 and \$3.1 in 1993, 1992 and 1991, respectively. The increases in minority interests relate to (i) more favorable results in the Company's 50.1% interest in a Hong Kong joint venture, (ii) the commencement of production and sales in the Company's 50% interest in Dubai, United Arab Emirates and (iii) the late 1992 sale by the Company of 50% of its South African affiliate and 30% of certain other African businesses to form a joint venture partnership with another South African packaging company.

During 1993 the Company's CONSTAR International subsidiary acquired the remaining 56% of Wellstar Holding, B.V. The Company, beginning in 1993, consolidates this wholly-owned subsidiary.

With the acquisition of Continental Can International Corporation, Inc. (CCIC) in 1991, the Company acquired minority interests in joint ventures in the Middle East, Korea and South America. Additionally, the Company acquired a 50.1% ownership interest in a joint venture in Hong Kong. As a result of these ownership interests, the Company now has sources of income and cash flow from non-consolidated affiliates and additional liabilities of minority partners. Due to the acquisition of CCIC, the Company has entered many new markets. These new markets provide excellent future growth potential for the Company's products and services while at the same time introducing the

Management's Discussion and Analysis

Company to viable business partners. The Company believes that the use of business partners in many overseas locations presents another cost-effective means of entering new markets.

The Company has presented earnings from equity affiliates, net of minority interests (the components of which can be found in Notes F and P to the Consolidated Financial Statements), as a separate component of net income. Management believes that presenting such earnings as a component of pre-tax income would distort the Company's effective tax rate, and as such, has presented equity earnings after the provision for income taxes.

INDUSTRY SEGMENT PERFORMANCE

This section presents individual segment results for the last three years. The after-tax charge of \$81.8 or \$.96 per share related to adoption of SFAS 106, SFAS 109 and SFAS 112 in 1993 is included as an after tax charge in the Metal Packaging segment of \$83.7 or \$.98 per share and an after-tax credit in the Plastic Packaging segment of \$1.9 or \$.02 per share, and is excluded in making comparisons of 1993 results with prior years.

Net sales for the Metal Packaging segment in 1993 were \$3,367.0, down \$206.1 or 5.8% compared to 1992 net sales of \$3,573.1. Net sales during 1991 were \$3,733.0. Sales in the segment have declined in recent years primarily as a result of lower raw material costs which have been passed on to customers in the form of reduced selling prices.

Metal Packaging 1993 operating income was \$308.5 or 9.2% of net sales compared to \$296.4 in 1992 which was 8.3% of net sales. Operating income in 1991 was \$261.4 or 7.0% of net sales. The increase in operating income reflects the successful integration of acquisitions made since 1989. Despite competitive price pressures and costs associated with restructuring efforts in North America and Europe, the Company has streamlined its organizational structure and improved efficiency to achieve significant cost reductions and increase operating profits.

Net sales for the Plastic Packaging segment in 1993 increased \$588.0 or 283.2% to \$795.6 in 1993 from \$207.6 in 1992. Net sales for 1992 increased \$133.2 or 179.0% against 1991 net sales of \$74.4. The increase in 1993 is primarily a result of the Company's October 1992 acquisition of CONSTAR International Inc. ("CONSTAR") and the acquisition during 1993 of the remaining 56% interest in Wellstar Holding B.V. ("Wellstar") by CONSTAR. The full year sales of CONSTAR contributed approximately \$600 in 1993 compared to two months sales in 1992 of approximately \$100. Wellstar from the date of acquisition contributed net sales of \$85 in 1993.

Plastic Packaging 1993 operating income was 8.8% of net sales at \$70.2 compared to 11.4% or \$23.6 in 1992. Operating income in 1991 was 14.2% or \$10.6 of net sales. Increased competition, product sales mix and the recession in Europe have contributed to decreased margins.

ACCOUNTING CHANGES

The Company, as required, adopted SFAS 106 and SFAS 109 on January 1, 1993. Additionally, during the fourth quarter, the Company adopted SFAS 112 retroactive to January 1, 1993. The after-tax effect of these accounting changes was a one-time charge to 1993 earnings of \$81.8 or \$.96 per share, with an incremental charge to 1993 earnings of \$2.5 or \$.03 per share. These accounting changes are more fully described in Note B to the Consolidated Financial Statements.

Adoption of the above three statements did not and will not have any cash flow impact on the Company.

FINANCIAL POSITION

LIQUIDITY AND CAPITAL RESOURCES

The Company's financial position remains strong. Cash and cash equivalents totaled \$54.2 at December 31, 1993, compared to \$26.9 and \$20.2 at December 31, 1992 and 1991, respectively. The Company had working capital of \$43.8 at December 31, 1993. The Company's primary sources of cash in 1993 consisted of (i) funds provided from operations, \$352.5; (ii) proceeds from short-term debt borrowings, \$136.5; (iii) proceeds from sale of businesses, \$83.6; and, (iv) proceeds from long-term debt borrowings, \$548.3. The Company's primary uses of cash in 1993 consisted of (i) payments on long-term debt, \$715.0; (ii) acquisition of and investments in businesses, \$66.2; (iii) capital expenditures, \$271.3 and (iv) repurchases of common stock, \$86.5.

The Company funds its working capital requirements on a short-term basis primarily through issuances of commercial paper. The commercial paper program is supported by revolving bank credit agreements with several banks

Management's Discussion and Analysis

with equal maturities on December 12, 1994 and December 20, 1995. Maximum borrowing capacity under the agreements is \$550. There are no borrowings currently outstanding under these agreements. There was \$324.0 and \$154.0 in commercial paper outstanding at December 31, 1993 and 1992, respectively.

In January 1993, the Company filed with the Securities and Exchange Commission a shelf registration statement for the possible offering and sale of up to \$600 aggregate principal amount of debt securities of the Company. On April 7, 1993 the Company sold \$500 of public debt securities in three maturity tranches through Salomon Brothers Inc. and The First Boston Corporation. The notes and debentures were issued pursuant to the shelf registration of debt securities and are rated Baa1 by Moody's Investors Service and BBB+ by Standard & Poor's Corporation. The three tranches include \$100 of 5.875% notes due 1998, priced at par; \$200 of 6.75% notes due 2003, priced at 99.625% to yield 6.80%; and \$200 of 8% debentures due 2023, priced at 99.625% to yield 8.03%. Net proceeds from the issues were used to repay the bank facility which financed the acquisition of CONSTAR International in October 1992. The Company has \$100 remaining on the shelf registration.

The Company has, when considered appropriate, hedged its currency exposures on its foreign denominated debt through various agreements with lending institutions. The Company also utilizes a corporate "netting" system which enables resources and liabilities to be pooled and then netted, thereby mitigating the exposure.

During 1993, the Company acquired businesses for approximately \$222, following acquisitions in 1992 and 1991 of \$539 and \$235, respectively. The details of such acquisitions are discussed in Note C to the Consolidated Financial Statements. The Company has established reserves to restructure acquired companies. At December 31, 1993 and 1992, these reserves totaled \$105.2 and \$94.9, respectively, and have been allocated to the purchase price of acquired companies. These reserves relate primarily with the costs associated with Company plans to combine acquired company operations with existing operations such as, severance costs, plant consolidations and lease terminations. The Company estimates that 1994 cash expenditures related to its restructuring efforts will approximate \$54.3 and cash expenditures for the three years ended December 31, 1996, will approximate \$90. Cash expenditures for restructuring efforts were \$81, \$30 and \$18 for the years ended December 31, 1993, 1992, and 1991, respectively.

The Company's ratio of total debt (net of cash and cash equivalents) to total capitalization was 50.1%, 52.1% and 40.5% at December 31, 1993, 1992 and 1991, respectively. Total capitalization is defined by the Company as total debt, minority interests and shareholders' equity. The increase in the Company's total debt in recent years is due to businesses acquired since December 29, 1989. As of December 31, 1993, \$101.9 of long-term debt matures within one year.

During the year the Company repaid \$100 private placement debt which carried an interest rate of 9.17%. Additionally, the Company's Canadian subsidiary repaid CDN \$100 private placement debt, partially with funds received from a property settlement and the balance with a capital increase from the parent Company.

Management believes that, in addition to current financial resources (cash and cash equivalents and the Company's commercial paper program), adequate capital resources are available to satisfy the Company's investment programs. Such sources of capital would include, but not be limited to, bank borrowings. Management believes that the Company's cash flow is sufficient to maintain its current operations.

CAPITAL EXPENDITURES

Capital expenditures in 1993 amounted to \$271.3 as compared with \$150.6 in 1992. During the past five years capital expenditures totaled \$730.7.

Expenditures in the North American Division totaled \$93 with major spending for beverage end conversion in Dayton, Ohio, a new technical center and aerosol plant in Alsip, Illinois and 2-piece food cans in Owatonna, Minnesota. Additional projects to convert beverage can and end lines in other plants to a smaller diameter began in 1993.

Investments of \$83 were made in the International Division. The Company constructed new plants and installed both beverage can and plastic cap production lines in Dubai, United Arab Emirates and Argentina. The Company is currently constructing a beverage can plant in Shanghai, China. Additionally, the Company constructed a new



Management's Discussion and Analysis

aerosol plant near Amsterdam, The Netherlands to service a major customer's centralized European filling plant. Expansion of existing plastic cap production in Italy and Germany, as well as the installation of single-serve PET equipment in Portugal have diversified the International Division from primarily metal packaging to include plastic products.

With the acquisition of CONSTAR in October 1992, the Company made a commitment to service global customers with plastic containers. The Company continued this commitment with spending of \$94 in 1993 within the Plastics Division. Major spending included capacity expansion of existing products and installation of several single-serve PET lines in the United States. New single-serve PET preform and bottle lines were also installed in CONSTAR's subsidiaries in England, Holland and Hungary.

The Company expects its capital expenditures in 1994 to approximate \$400. The Company plans to continue capital expenditure programs designed to take advantage of technological developments which enhance productivity and contain cost as well as those that provide growth opportunities. Capital expenditures, exclusive of potential acquisitions, during the five year period 1994 through 1998 are expected to approximate \$1,500. Cash flow from operating activities will provide the principal support for these expenditures; however, depending upon the Company's evaluation of growth opportunities and other existing market conditions, external financing may be required from time to time.

ENVIRONMENTAL MATTERS

The Company has adopted a Corporate Environmental Protection Policy. The implementation of this Policy is a primary management objective and the responsibility of each employee of the Company. The Company is committed to the protection of human health and the environment, and is operating within the increasingly complex laws and regulations of federal, state, and local environmental agencies or is taking action aimed at assuring compliance with such laws and regulations. Environmental considerations are among the criteria by which the Company evaluates projects, products, processes and purchases and, accordingly, does not expect compliance with these laws and regulations to have a material effect on the Company's competitive position, financial condition, results of operations or capital expenditures.

The Company is dedicated to a long-term environmental protection program and has initiated and implemented many pollution prevention programs with the emphasis on source reduction. The Company continues to reduce the amount of metals and plastics used in the manufacture of steel, aluminum and plastic containers through a "lightweighting" program. The Company not only recycles nearly 100 percent of scrap aluminum, steel, plastic and copper used in the manufacturing process, but through its Nationwide Recyclers subsidiary is directly involved in post-consumer aluminum and steel can recycling. Nationwide Recyclers, in 1994, will also be directly involved in post-consumer plastics recycling. Additionally, the Company has already exceeded the Environmental Protection Agency's (EPA) 1995 goals for its 33/50 program which calls for companies, voluntarily, to reduce toxic air emissions by 33% by the end of 1992 and by 50% by the end of 1995, compared to the base year of 1988. The Company, at the end of 1993, had achieved a more than 64% reduction in the releases of such emissions for all U.S. facilities. The cost to accomplish this reduction did not materially affect operating results. Many of the Company's programs for pollution prevention lower operating costs and improve operating efficiencies.

The Company has been identified by the EPA as a potentially responsible party (along with others, in most cases) at a number of sites. Estimated remedial expenses for active projects are recognized in accordance with generally accepted accounting principles governing probability and the ability to reasonably estimate future costs. Actual expenditures for remediation were \$2.2 during 1993 and \$1.7 in 1992. The Company's balance sheet reflects a net accrual for future expenditures to remediate known sites of \$11.3 at December 31, 1993 and 1992, respectively. Gross remediation liabilities were estimated at \$30.7 and \$33.3 at December 31, 1993 and 1992, respectively. Indemnification received from the sellers of acquired companies and the Company's insurance carriers was estimated at \$19.4 and \$22.0 at December 31, 1993 and 1992, respectively.

Environmental exposures are difficult to assess for numerous reasons, including the identification of new sites, advances in technology, changes in environmental laws and regulations and their application, the scarcity of reliable data pertaining to identified sites, the difficulty in assessing the involvement of the financial capability of other potentially responsible parties and the time periods (sometimes lengthy) over which site remediation occurs. It is possible that some of these matters



Management's Discussion and Analysis

(the outcome of which are subject to various uncertainties) may be decided unfavorably against the Company. It is, however, the opinion of Company management after consulting with counsel, that any unfavorable decision will not have a material adverse effect on the Company's financial position.

COMMON STOCK AND OTHER SHAREHOLDERS' EQUITY

Shareholders' equity was \$1,251.8 at December 31, 1993, as compared with \$1,143.6 at December 31, 1992. The increase in 1993 equity represents the retention of \$99.1 of earnings in the business (net of \$81.8 of accounting changes as more fully described in Note B to the Consolidated Financial Statements), the issuance of 3,631,624 common shares for the acquisition of Van Dorn Company and the issuance of 1,415,711 common shares for various stock purchase and savings plans offset by the effect of 2,580,982 common shares repurchased, \$46.3 minimum pension liability adjustment as more fully described in Note N to the Consolidated Financial Statements and equity adjustments for currency translation in non-U.S. subsidiaries of \$29.3. The book value of each share of common stock at December 31, 1993, was \$14.09, as compared to \$13.24 at December 31, 1992.

In 1993, the return on average shareholders' equity before cumulative effect of accounting changes was 14.6% as compared with 13.9% in 1992.

The Company purchased 2,536,330 shares of its common stock from CCL Industries Inc. ("CCL") on January 7, 1993 for approximately \$84.8. The Company and CCL had agreed to the share repurchase in August of 1992 at a then agreed purchase price of \$33.00 per share, plus an adjustment computed at a rate of 3.5% per annum. The January 7, 1993 settlement was funded by cash flow from operations, borrowings and cash received from CCL of approximately \$21. The cash received from CCL related to the settlement of guarantees made by CCL to the Company regarding the value of certain properties in connection with the Company's 1989 acquisition of Continental Can Canada Inc. The Company issued to CCL a total of 7,608,993 shares in the 1989 acquisition of Continental Can Canada Inc. The purchase of common stock from CCL was made pursuant to the Company's right of first refusal to purchase common stock offered for sale by CCL. After giving effect to the repurchase transaction, CCL held 2,536,331 shares or approximately 2.9% of the Company's shares then outstanding following the January 7, 1993 settlement date.

In August 1992, the Company repurchased 1,500,000 shares from the Connelly Foundation for approximately \$50.1 or approximately \$33.38 per share. The purchase of shares from the Connelly Foundation was funded by cash flow from operations of \$25 and an interest bearing note, at 3.5%, of approximately \$25.1. The Company settled the note in December 1992 with cash flow from operations. At December 31, 1993, the Connelly Foundation held 8,554,700 shares of the Company's common stock which represented approximately 10% of the 88,814,533 shares then outstanding.

The Board of Directors has approved resolutions authorizing the Company to repurchase shares of its common stock to meet the requirements for the Company's various stock purchase and savings plans. The Company acquired 2,580,982, 1,747,774, and 2,735,898 shares of common stock in 1993, 1992, and 1991 for \$86.5, \$61.4, and \$69.1, respectively. These purchases included the purchases of stock held by the Connelly Foundation in 1992 and by CCL in 1993 and 1991.

The Company has traditionally not paid dividends and does not anticipate paying dividends in the foreseeable future.

At December 31, 1993 common shareholders of record numbered 6,168 compared with 4,193 at the end of 1992.

INFLATION

General inflation has not had a significant impact on the Company over the past three years due to strong cash flow from operations. The Company continues to maximize cash flow through programs designed for cost containment, productivity improvements and capital spending. Management does not expect inflation to have a significant impact on the results of operations or financial condition in the foreseeable future.



OPERATING DIRECTORS

PAUL S. BAIN	Quality/3 Piece International Div.	THOMAS S. OSMANSKI	Licensing and Support
JOSEPH BAUDER	2 Piece Can Engineering		Services International Div.
JAMES C.T. BOLTON	Finance International Div.	ROBERT A. PATTERSON	Internal Audit and Systems
MICHAEL B. BURNS	Treasury Management	ROBERT F. POLICH	Packaging Performance
MERINO J. DI RUGERIS	Management Information Systems	EDWARD K. RICHTER	Production Engineering Services
DANIEL J. DONAGHY	Engineering Services		International Div.
CHARLES E. FINNEGAN	Metals Purchasing	JOHN J. RODAK	Seamer Service
ROBERT J. GRUODIS	Development Engineering	GEOFFREY L. SELWYN	Construction Engineering
EDWARD HATTER	Traffic	PATRICK D. SZMYT	Manufacturing Accounting
WILLIAM C. HOYLE	Materials Development	DAVID R. VANZANT	3 Piece Can Engineering
FRANK J. JUSKA	Technical Services	ROBERT G. VATISTAS	Environmental Affairs
ROBERT W. KELLY	2 Piece Can Manufacturing	WILLY L. VERBRUGGHE	Operations International Div.
JOSEPH J. LARKIN	Insurance	EDWARD C. VESEY	Purchasing
FRANCIS J. LEDERER	Community Relations		
INDER K. LEEKHA	Packaging Systems	CROWN FINANCIAL CORPORATION	
KEITH E. LUCAS	Metal Recycling		
DAVID MACBURNIE	Quality/2 Piece International Div.	CRAIG R. L. CALLE	Vice President and Treasurer

NORTH AMERICAN DIVISION

SALES MANAGERS

BRADLEY J. DAHLGREN	WILLIAM B. URIAS	GARY E. ELLERBROCK	JOHN W. WARMAN
Marketing	Meat and Fish Cans	Beverage Cans	Food Specialties

SALES OFFICES WITHIN the UNITED STATES

CENTRAL DIVISION	John E. Roycroft, Vice President	SOUTHWEST DIVISION	Forrest K. Eason, Vice President
Chicago, IL	Walter J. Doran, District Sales Manager	Abilene, TX	Dale Dietrich, District Sales Mgr.
Cincinnati, OH		Conroe, TX	
Faribault, MN	W. King Van Nest, District Sales Manager		
Milwaukee, WI		WESTERN DIVISION	Gary A. Munson, Vice President
Perrysburg, OH	Neal R. O'Malley, District Sales Manager	La Mirada, CA	Michael P. Madigan, Regional Sales Mgr.
		Salt Lake City, UT	E. F. Mariani Company
EASTERN DIVISION	Edward J. Boyle, Jr., Vice President	San Leandro, CA	Thomas A. Bierman, District Sales Mgr.
Baltimore, MD	John C. Eissler, Product Sales Manager	Portland, OR	
Philadelphia, PA	Howard L. Bozman, Regional Sales Mgr.		
Winchester, VA	Bernard R. Grande, District Sales Manager	CROWNS	
		Crawfordsville, IN	
NORTHEAST DIVISION	Robert G. Le Lacheur, Vice President	BEVERAGE CANS	Gary E. Ellerbrock, Sales Manager
Lawrence, MA	Daniel P. Figore, District Sales Manager	& ENDS	
North Bergen, NJ	Robert G. Pocoroba, Regional Sales Mgr.	St. Louis, MO	
	Stephen E. Kronschi, District Sales Manager		
	C. Paul Lidestri, District Sales Manager	MEAT AND FISH CANS	William B. Urias, Sales Manager
SOUTHERN DIVISION	Joe A. George Jr., Vice President	Omaha, NE	
Arden, NC	William R. Keith, Regional Sales Manager	Seattle, WA	
Atlanta, GA			
Winter Garden, FL	Paul H. Waller, Jr., District Sales Manager	FOOD SPECIALTIES	John W. Warman, Sales Manager
		5 Gallon Square	
		La Mirada, CA	

NORTH AMERICAN DIVISION

PLANTS WITHIN the UNITED STATES

EASTERN AREA-2 piece

Atlanta, GA
Atlanta, GA
Cheraw, SC
Cincinnati, OH
Dayton, OH
Kankakee, IL
La Crosse, WI
Lawrence, MA
North Bergen, NJ
Pulaski, Park, MD
Winchester, VA

Richard R. Martin,
Manufacturing Manager
Jerome M. Ackerman, Plant Manager
Robie L. Fulbright, Plant Manager
William R. Wilkerson, Plant Manager
Kenneth D. Galberaith, Plant Manager
John B. Bugnitz, Plant Manager
Glenn R. Venable, Plant Manager
Gerald H. Gifford, Plant Manager
Emory G. Herbert, Plant Manager
Kirkland P. Miller, Plant Manager
Timothy D. Regan, Plant Manager
Frank E. Babic, Jr., Plant Manager

WESTERN AREA-2 piece

Abilene, TX
Batesville, MS
Conroe, TX
Fort Bend, TX
Lakeville, MN
Mankato, MN
Olympia, WA
Owatonna, MN
Union City, CA
Van Nuys, CA
Worland, WY

Robert E. Strickroth
Manufacturing Manager
Michael E. Turner, Plant Manager
Larry G. Outlaw, Plant Manager
Edward W. Berry, Plant Manager
Richard H. DeYoung, Plant Manager
Normand J. Jandreau, Plant Manager
David T. Pierce, Plant Manager
Troy E. Lovett, Plant Manager
Douglas E. Belmore, Plant Manager
Bary E. Kauffman, Plant Manager
Donald J. Queen, Plant Manager
Floyd G. Getchell, Plant Manager

EASTERN AREA-3 piece

Hanover, PA
Hurlock, MD
Philadelphia, PA
Salisbury, MD
Swedesboro, NJ

Larry Oates,
Manufacturing Manager
Lawrence A. George, Plant Manager
Richard B. Cropper, Plant Manager
David J. Toth, Plant Manager
John H. Ballance, Jr., Plant Manager
Charles M. Krohn, Plant Manager

OTHER

Baltimore, MD (Art & Plate)
Fairless Hills, PA
Alsip, IL

Henry L. Siarkowski, Plant Manager
John Smolenak, Jr., Plant Manager
Technical Center

CENTRAL AREA-3 piece

Alsip, IL
Chicago, IL
Decatur, IL
Faribault, MN

James P. Zahn,
Manufacturing Manager
Gerald M. Gresko, Plant Manager

Klaus W. Herchenroder, Plant Manager
Mark D. Fitzgerald, Plant Manager

SOUTHERN AREA-3 piece

Arden, NC
Plymouth, FL
Plymouth, FL (Metals)
Orlando, FL
Spartanburg, SC
Suffolk, VA
Winter Garden, FL

Joseph Busco,
Manufacturing Manager
Brian G. Powell, Plant Manager
Max Hargrove, Plant Manager
William E. Crispe, Plant Manager
Edward J. Sikora, Plant Manager
Francis J. Forte, Plant Manager

Collie D. Turner, Plant Manager

MID-WEST AREA-3 piece

Perrysburg, OH
Portage, IN
Omaha, NE
Oshkosh, WI
Shoreham, MI
St. Louis, MO

Thomas R. Lyons,
Manufacturing Manager
Jack R. Norelius, Plant Manager
Francis P. Stenger, Plant Manager
Philip A. Swanson, Plant Manager
Samuel W. De Vos, Plant Manager
Ronald E. Van Sant, Plant Manager
James H. Meyman, Plant Manager

WESTERN AREA-3 piece

La Mirada, CA
Los Angeles, CA
Pocatello, ID
Portland, OR
San Leandro, CA
Seattle, WA
Walla Walla, WA

James H. Sadler,
Manufacturing Manager
Richard L. Adkisson, Plant Manager
James Fernandez, Jr., Plant Manager
William D. Upton, Plant Manager
Ralph M. Buttermore, Plant Manager
Lawrence B. Schneider, Plant Manager
M. Michael Tierney, Plant Manager
Bernard N. Baumann, Plant Manager

CROWNS

Arlington, TX
Crawfordsville, IN
Milwaukee, WI

Joseph R. Pierce, General Manager
Jerry A. Hatfield, Plant Manager
Michael K. Jansen, Plant Manager
Paul A. Pitisci, Plant Manager

CENTRAL STATES CAN CO.

OFFICERS & DIRECTORS

Daniel M. Belden, Jr., President
Patrick L. Ferron, Vice President Materials
William E. Keegan, Director Sales & Marketing
William A. Kirk, Director Engineering
James N. Vaughn, Director Operations

SALES OFFICES

Massillon, OH, Donald K. Pittman, National Sales Manager Composite
Waukesha, WI, Maynard L. Freer, Sales Manager Midwest
Cave Creek AR, E. John Westermeyer, Sales Manager Western

PLANTS

Massillon, OH (Metals)
Massillon, OH (Composite)
Mayaguez, Puerto Rico
Rexdale, Ontario, Canada
Plant Manager
Kurt D. Walterhouse
Donald G. Husted
V. James Ricci

DAVIES CAN CO.

OFFICERS & DIRECTORS

Daniel M. Belden, Jr., President
James D. Woodworth, General Manager
Thomas A. Gallagher, Vice President, Eng. & Mfg.

SALES OFFICES

Solon, OH
Louisville, KY
Covington, GA

PLANTS

Covington, GA
Solon, OH
York, PA
Youngstown, OH

Sales Managers
R. Bruce Shortreed & Joseph F. Dudas
George A. Ward, Regional Sales Mgr.
John A. Segreti, Regional Sales Mgr.
Plant Managers
G. Curtis Dills
Michael A. Shorter
Kenneth J. Gerstung
Paul D. Strawbridge
General Manager – Adcraft

NORTH AMERICAN DIVISION

COMPANIES OUTSIDE the UNITED STATES

CENTRAL AMERICA

MEXICO

CROWN CORK DE MEXICO, S.A. **ENVASES GENERALES CROWN, S.A. DE C.V.**

Mexico City (2) Paul E. Hoar, President
Guadalajara Gabriel A. Cervera, Operations Director
J. Graham McIlwain, Finance Director
Raul Aguilar, Sales Manager

GUATEMALA

Guatemala City

CROWN CORK DE GUATEMALA, S.A.

Paul E. Hoar, President
Alfredo Alba, General Manager

COSTA RICA

San Jose

CROWN CORK CENTROAMERICANA S.A.

Paul E. Hoar, President
Franklin Hidalgo, General Manager
Maximo Lau, Plant Manager
Miguel Umana, Controller

PUERTO RICO

San Juan

CROWN CORK DE PUERTO RICO, INC.

Michael J. McKenna, President
Jose R. Laureano, Vice President Finance and
Administration
Angelo Sanchez, Plant Manager

NORTH AMERICA

CANADA

Toronto (5)

Calgary

Chatham

Montreal (3)

Winnipeg

CROWN CORK & SEAL CANADA INC.

Frank J. Mechura, President and Chief Executive Officer
C. Roger Henry, Senior Vice President Operations
Guy G. Labelle, Vice President Manufacturing-Food
Edward A. McLean, Vice President Human Resources
Roy J. Pearce, Vice President Finance and CFO
William H. Lawless, Director Technical Service and
Research
Peter F. Monsberger, Secretary
Lewis Soltys, Director Purchasing
Alfred J. Wareing, Director of Sales Service Production
Control

Eastern
Region

Chris R. Daly, Sales Manager Eastern Region
Francis P. Glorieux, Senior Plant Manager Montreal
Claude Marois, Plant Manager St. Laurent
John P. Cenerelli, Plant Manager Dorval

Central
Region

Anthony H. Wedgbury, Director of Sales
J. Douglas Wharry, Sales Manager Central Region
Roman R. Towarnicki, District Sales Manager, S.W. Ontario
Allan McKeag, Plant Manager Keele North
Robert D. Allen, Plant Manager Keele South
Robert L. Bosetti, Plant Manager Weston
Brian Poole, Plant Manager Chatham
Robert S. Saunders, Plant Manager Mississauga
Malcolm S. King, Plant Manager Bolton

Western
Region

Brent Keeley, Sales Manager Western Region
Ronnie Osadchuk, Plant Manager Winnipeg
Andre A. Pomerleau, Plant Manager Calgary

INTERNATIONAL DIVISION

SOUTH AMERICA

ARGENTINA, BRAZIL, CHILE AND PERU

Oscar F. Francke, Sr., President
Wilson S. Felix, Director of Finance
Eduardo Cruz, Director of Sales
Jorge H. Garcia, Director of Operations
Nelson U. Soto Villegas, Quality Assurance
Jorge Bosetti, Engineering

ARGENTINA Buenos Aires

CROWN CORK DE ARGENTINA, S.A.

Percy Crosby, Vice President
Raul Tesone, Controller
Cristina U. de Thaut, Sales Manager
Armando Urbanec, Chief Engineer

ALUPLATA, S.A.

Arthur J. Hocevar, General Manager
Raul Cohen, Sales Manager
Emiel De Pauw, Chief Engineer
Raul Tesone, Controller

BRAZIL

Aracaju
Vinhedo

CROWN CORK DO BRASIL S.A.

Jose Ribeiro Cunha, General Manager
Antonio C. Lorenzo, Controller
Jose Alberto Rodrigues, Crown Sales Manager
Paulo Abe, Can Sales Manager
Americo Tedeshi, Plant Manager Vinhedo
Jose A. Ribeiro, Plant Manager Aracaju

CHILE

Santiago

CROWN CORK DE CHILE S.A.I.

Eduardo Cruz, Vice President
Francisco Miranda, General Manager
Jorge Mendez, Controller
Aquiels Giavio, Quality Control

PERU

Lima

CROWN CORK DEL PERU S.A.

Fernando Goitia, Vice President
Alfredo Ordonez, Controller
Teodoro Tsuja, Chief Engineer
Luis Pita, Plant Manager
Jorge Ardito, Sales Manager
Rafael Pareja, Sales Bottling Equipment

INTERNATIONAL DIVISION

SOUTH AMERICA	COLOMBIA, ECUADOR, TRINIDAD & TOBAGO AND VENEZUELA John W. Cunningham, President Jorge H. Garcia, Manufacturing Director Carlos Barrera, Sales Director Gustavo Lozano, Technical Director	ECUADOR Guayaquil	CROWN CORK DEL ECUADOR C.A. Octavio Rivera, General Manager Feliciano Roldos, Controller Franklin Marin, Chief Engineer
COLOMBIA Medellin Barranquilla Santafe de Bogata	CROWN LITOMETAL, S.A. Carlos Barrera, General Manager Samuel Rodriguez, Controller Gustavo Lozano, Technical Manager Jorge H. Orozco, Plant Manager Medellin Felix Mendoza, Plant Manager Barranquilla	TRINIDAD & TOBAGO Port of Spain	CROWN CORK & SEAL (WEST INDIES) LIMITED Roger D. Flook, Managing Director Ahmad Mustapha, Controller
EUROPE	EUROPEAN COMPANIES	VENEZUELA Caracas	CROWN CORK DE VENEZUELA, C.A. John W. Cunningham, President
BELGIUM Antwerp	CROWN CORK COORDINATION CENTER N.V. William H. Smith, Managing Director Europe Alfons Bekx, Director Engineering and Technical Services Xavier Blanpain, Director Administration and General Counsel Michael J. Harding, Director of Finance Guy Van der Celen, Director Sales & Marketing Thomas E. Schreiber, Director of Mfg. & Total Quality Jozef Salaerts, Controller Herman Van den Eynde, Quality Assurance Mgr. Louis Verschuren, Director Special Projects	AUSTRIA Schwanenstadt	CROWN CORK COMPANY AUSTRIA GMBH Horst Inthaler, General Manager
BELGIUM Antwerp Packaging	BELGIUM, FRANCE AND HOLLAND Hugo Patroons, Regional Director	HUNGARY Budapest	MAGYAR CROWN CORK KFT Horst Inthaler, General Manager
FRANCE Paris	CROWN CORK COMPANY BELGIUM N.V. Fred Wildschut, Sales Manager Frans Vanhoudt, Area Manufacturing & Plant Manager Leo Van Eeghem, Personnel and Administration Manager	GREAT BRITAIN London, England Tredegar, Wales	GREAT BRITAIN, DENMARK, IRELAND Richard L. Holdron, Regional Director
HOLLAND Rotterdam Mijdrecht	CROWN CORK COMPANY FRANCE, S.A. Jean Yves Sinoir, Plant Manager	DENMARK Copenhagen	THE CROWN CORK COMPANY LIMITED David Ely, Sales Director Gordon Cassidy, Financial Controller Michael Shambley, Plant Manager, London Phil Brooks, Plant Manager, Tredegar
GERMANY Frankenthal Bedburg	CROWN CORK COMPANY HOLLAND B.V. Ruud Blok, Plant Manager Jon Pors, Plant Manager	IRELAND Cork	CROWN CORK COMPANY SCANDINAVIA A/S Rolf Rogren – Director and General Manager
AFRICA	GERMANY, AUSTRIA AND HUNGARY Hans W. Gilbert, Regional Director	ITALY Voghera	THE IRISH CROWN CORK COMPANY LTD. Michael K. Byrnes, Director and General Manager
KENYA Nairobi	CROWN CORK COMPANY GERMANY GMBH Claus Bender, Sales Director Wilhelm Musel, Technical Director Udo Bachler, Plant Manager, Frankenthal Walter Becker, Controller and Director of Finance Gerhard Kramer, Director of Personnel and Admin.	ITALY Voghera	ITALY Carlo Calimani, Regional Director
ZAMBIA Ndola	CROWN CORK COMPANY KENYA LTD. John Bone, Director/Manager Petersen Kamau, Financial Controller	SPAIN Madrid Bilbao	CROWN CORK COMPANY ITALY S.P.A. Alessandro Ottelli, Managing Director
ZIMBABWE Harare	CROWN CORK COMPANY (ZAMBIA) LIMITED Anthony H. Simmonds, Director/Manager Stewart Lamb, Financial Controller Neil K. Samasungwa, Plant Manager	PORTUGAL Lisbon	SPAIN, PORTUGAL AND MOROCCO Juan J. Cortes, Regional Director
	CROWN CORK COMPANY (1958) (PVT.) LIMITED John L. G. Tasker, Director/Manager Norman Raisbeck, Financial Controller Christopher H. Brown, Plant Manager	MOROCCO Casablanca	CROWN CORK COMPANY SPAIN S.A. Jorge Sallent, Director Sales & Marketing Eugenio Viyuela, Finance Manager Antonio. E. Perez, Plant Manager, Madrid Thomas Campos, Plant Manager, Bilbao
		NIGERIA Lagos	CROWN CORK & SEAL PORTUGAL S.A. Carlos J.F. Baptista, Managing Director Andriano Cruz, Sales Manager
		SOUTH AFRICA Johannesburg (2) Cape Town	CROWN CORK COMPANY MOROCCO S.A. Abdelaziz Beloubad, General Manager
			THE CROWN CORK & SEAL COMPANY (NIGERIA) LTD. CANMAKERS (NIGERIA) LTD. Anthony A. Gill, Chairman A. O. Otenaike, Managing Director, Nigeria G.B.O. Ezenweani, Managing Director, Canmakers
			CROWN INVESTMENT HOLDINGS (PTY.) LIMITED Henry Lavery, Managing Director Roy A. Cornish, Financial Controller Christopher R. Makin, Technical Manager Jeffrey T. Wilson, Manager Sales Raymond G. Parker, Manager Manufacturing Anthony Shepperson, Plant Manager – (Isando) Johannesburg Calvin Harris, Plant Manager (D&I) – (Alrode) Johannesburg Louie H. Friedman, Plant Manager – Cape Town



INTERNATIONAL DIVISION

SOUTHEAST ASIA	SINGAPORE, INDONESIA, MALAYSIA AND PAPUA NEW GUINEA Graham S. Bell, Managing Director	GREATER CHINA AND HONG KONG	CROWN CAN HONG KONG, LTD William H. Voss, Managing Director J. Andrew Carlton, Manufacturing Manager Casey Tsang, General Manager of Commercial Grace Wong, Financial Manager S. K. Tse, Sales Manager
SINGAPORE Jurong	CROWN CORK & SEAL (SINGAPORE) CO. LTD. Lai Ka Wing, General Sales Manager Daniel W. S. Woon, Financial Controller		
INDONESIA Jakarta	P.T. CROWN CORK & SEAL INDONESIA S. Soedomo, Director A. Mulyana, General Manager	CHINA Foshan	FOSHAN CONTINENTAL CAN CO., LTD FOSHAN CROWN EASY OPENING END CO., LTD Louis Chui, General Manager Luo Shan Ming, Deputy General Manager Kenneth Tsang, Plant Manager Chen Nian Chun, Commercial Manager Li Xiao Lan, Financial Manager
MALAYSIA Johore Bahru	CROWN CORKS OF MALAYSIA, SDN BHD Tan Tock Shing, Director and General Manager		
PAPUA NEW GUINEA Lae	CROWN CORK & SEAL (PNG) PTY. LTD. Cliff I. Yarde, Director and General Manager Lidwina Pahung, Accountant	CHINA Shanghai	SHANGHAI CROWN PACKAGING CO., LTD Philip Lo, General Manager Xie Guan Hua, Deputy General Manager James Outlaw, Plant Manager Ye Zhen, Commercial Manager Wong Jie, Financial Manager
INDOCHINA	THAILAND Terrence D. Moore, Managing Director		
THAILAND Bangkok	CROWN CORK & SEAL (THAILAND) CO., LTD. Piyanan Klangsupan, Finance Director David Clarke, Plant Manager Chyada Charoensak, Sales Manager		

JOINT VENTURE COMPANIES

KOREA Seoul	DOOSAN CONTINENTAL MFG. CO. LTD. Leroy Daniels-General Manager	JEDDAH	JEDDAH BEVERAGE CAN MAKING COMPANY LTD. F. Colin Little, General Manager Clifford Hobbs, Plant Manager Mohammed Laboudi, Financial Controller Sami M. Sabat, Commercial Manager
VENEZUELA Caracas	DOMINGUEZ CONTINENTAL S.A.		
MIDDLE EAST			
GREAT BRITAIN London	REGIONAL OFFICE David A. Pollen, General Manager	UNITED ABAB EMIRATES Jebel Ali	EMIRATES CAN COMPANY LTD. David J. Hagedorn, General Manager Alexander McKay, Plant Manager Yasser Khorsheed, Financial Controller Nasser M. Khan, Commercial Manager
SAUDI ARABIA Dammam	CONTINENTAL CAN OF SAUDI ARABIA LTD. Nicholas C. Aykroyd, General Manager Riyadh Hindi, Plant Manager Mohammed Abdul Ghani, Financial Controller Mahmoud M. Hansia, Commercial Manager	JORDAN Amman	MIDDLE EAST CAN MANUFACTURING COMPANY LTD.

MACHINERY DIVISION

BALTIMORE, MD	DIVISION OFFICE B. Douglas Goodell, Vice President Robert A. Byrnes, Director of Operations Earl L. Watkeys, Financial Manager Antonio Menendez, Sales Mgr., Latin Amer.	BELGIUM Londerzeel	Jean Marie Gartner, General Manager Philippe Boucquey, Engineering Mgr. Lucien De Keghel, R&D Manager Christian Dinaux, Sales Manager Leo Verheyen, Plant Manager
BALTIMORE, MD	Fred D. Miller, General Manager Robert G. Reiss, Plant Manager F. O'Neill Mitchell, Sales/Mkg. Manager Ted F. McKaughan, Engineering Manager	MEXICO San Luis Potosi	Ricardo Alania, General Manager Jorge Gonzalez, Plant Manager
BARTOW, FL (Overhaul)	Ralph H. Smith, Plant Manager	TITUSVILLE, FL	CROWN PRECISION TECHNOLOGIES, INC. Charles W. Vestal, General Manager

OTHER SUBSIDIARIES

	William J. Brayer Vice President		
H-V INDUSTRIES, INC.	Harry T. Arnold	WISSOTA ENTERPRISES, INC.	Gary F. Kersten
NORTHERN ENGINEERING AND MACHINE CORP.	Emil W. Lander	NATIONWIDE RECYCLERS, INC.	Keith E. Lucas
VOLSTRO MANUFACTURING CO., INC.	David M. Atwood	NATIONWIDE COIL COATING COMPANY, INC.	William D. Lahner

PLASTICS DIVISION

CONSTAR INTERNATIONAL INC.

OFFICERS

ROBERT E. NICKELS	President and COO
HENRY E. CARTER	Senior Vice President Marketing and Sales
LARRY GREEN	Senior Vice President Operations
LADD DURYEY	Vice President Human Resources
STEPHEN R. LYNN	Vice President Research/Development
ROBERT T. TREMBLAY	Vice President Quality Assurance

OPERATING DIRECTORS

KENNETH E. ADAMS	Beverage Sales
JOHN E. DALTON	Purchasing

DAVID L. DAVIDSON
DAVID HOBBS
DALE JOHNSTON
EDWARD KALENDEK
PAUL R. KAUFMAN
CHRIS C. KJORLAUG
ROBERT M. MARTIN
RONALD W. MIMS
GENE W. MUELLER
CRAIG S. RENTON
RALPH H. TAYLOR

Industrial Relations
Blow Mold Sales
Controller
Custom Sales
Research
Product Development
Facility Planning/Rebuild
Manufacture Planning
New Business Development
New Product Sales
Government Relations

SALES OFFICES WITHIN the UNITED STATES

EAST

Orlando, FL	Bruce H. Morrison, Beverage Sales Manager
Havre de Grace, MD	William H. Wagner, Custom Sales Manager

WEST

Fort Worth, TX	Frank D. Pollock, Beverage Sales Manager
Reserve, LA	John T. Litton, Custom Sales Manager

BEVERAGE CLOSURES

Sandston, VA	Patrick J. Nash, National Sales Manager
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PLANTS WITHIN the UNITED STATES

CENTRAL REGION

Atlanta, GA	Robert E. Lappi, Regional Operations Manager
Birmingham, AL	Michael H. Andrysiak, Operations Manager
Collierville, TN	William R. McDonald, Operations Manager
Hollywood, FL	Edward J. Farrell, Operations Manager
Kansas City, KS	Larry E. Landsperger, Operations Manager
Mableton, GA	Henry D. Mariana, Operations Manager
Orlando, FL	Steven K. Young, Operations Manager C. Stephen Groves, Operations Manager

New Stanton, PA	Edward A. Netski, Operations Manager
Newark, OH	John W. Fry, Operations Manager
West Chicago, IL	Leland D. Smith, Operations Manager

WESTERN REGION

City of Industry, CA	Richard W. Yelverton, Regional Operations Manager
Dallas, TX	Eric Scott, Operations Manager
Ft. Worth, TX	William A. Brooker, Operations Manager
Houston, TX	Gustavo Rangel, Operations Manager
Jackson, MS	Bill A. Hoiden, Operations Manager
Phoenix, AZ	Theron D. Powell, Operations Manager
Reserve, LA	Robert C. Wherry, Operations Manager Artie E. Setty, Operations Manager

NORTHEAST REGION

Baltimore, MD	Thomas E. Maffeo, Regional Operations Manager
Charlotte, NC	Michael J. Prior, Operations Manager
Greenville, SC	James D. Hyde, Operations Manager
Leominster, MA	Albert D. Lepper, Operations Manager Anthony Soignoli, Operations Manager

Sandston, VA	Gary Giffel, Operations Manager
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COMPANIES OUTSIDE the UNITED STATES

CANADA
Montreal

CONSTAR PLASTICS OF CANADA LTD.
Pierre Le Fleur, Executive Director

HOLLAND
Didam
Dongen

CONSTAR INTERNATIONAL HOLLAND B.V.
Andrew Stone, Operations Director
Harry Van Hassel, Sales Director

FRANCE
Evry

CONSTAR INTERNATIONAL FRANCE SARL
George Thomas, Plant Manager

GREAT BRITAIN
Sherburn

CONSTAR INTERNATIONAL U.K. LTD.
Jack Reid, Operations Director

JOINT VENTURES

MEXICO, HUNGARY AND TURKEY

SWITZERLAND
Reinach

CROWN OBRIST AG
CROWN CORK AG
Ernst Hotan, Managing Director
Kelvin Pitman, Technical Director
Peter Geiger, Vice President Licensing
Kurt A. Stocklin, Sales Director

PLASTIC CLOSURE MANUFACTURING WITHIN METAL PACKAGING PLANTS IN:

ARGENTINA	GERMANY
BELGIUM	ITALY
ENGLAND	SPAIN
UNITED ARAB EMIRATES	

FABRICATED PRODUCTS

Aerosol Cans

Beer and Beverage Cans

2 Piece Drawn and Ironed

Steel and Aluminum

3 Piece Steel

Beverage Ends

Food Cans (Packers Cans)

3 Piece Steel

2 Piece Steel and Aluminum

Composite Cans

Fish Cans - Tapered 2 Piece

Meat Cans - Rectangular & Pear Shape

Infant Formula Cans

5 Gallon Square Cans

Easy Open Ends - Steel and Aluminum

Pet Food Cans

Crowns

Pry Off

Twist Off

Closures

Aluminum (Pilfer Proof)

Plastic

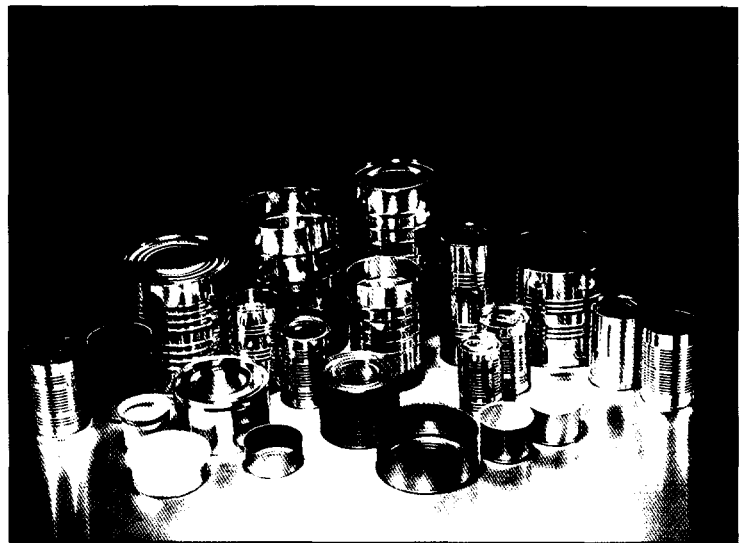
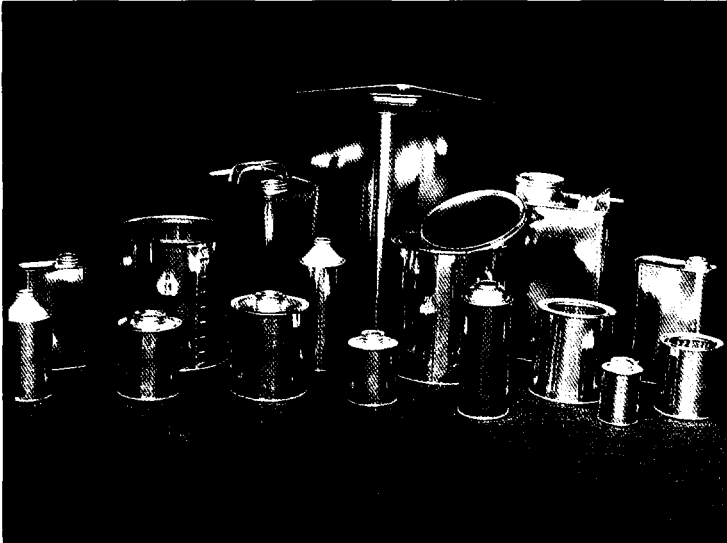
Steel

Cone Top Cans

"F" Style Rectangular Cans

Motor Oil Cans (Steel and Composite)

Paint Cans





MACHINERY PRODUCTS

Bottle Washers and Rinsers

Bottle and Can Warmers

Bottle Fillers for Beer

Bottle Fillers for Carbonated Beverages

Bottle Fillers for Non-Carbonated Liquids

Can Fillers for Beer

Can Fillers for Carbonated Beverages

Can Fillers for Non-Carbonated Liquids

Cappers

Casers and Decasers

Filler Enhancement Systems

Crowners

Conveyors for Bottles, Cans and Case Goods

Process Equipment for Carbonated Beverages

Blenders

Carbonators

Coolers

De-aerators

Palletizers for Cans and Case Goods

Depalletizers for Cans and Case Goods

Crown Dust Removal Equipment



HIGH SPEED CAN FILLER



PLASTIC PRODUCTS

PET Containers, One Way Beverage

	Water
3.0 Liter	5.0 Liter
2.25 Liter	1.5 Liter
2.0 Liter	1.0 Liter
1.0 Liter	0.5 Liter
0.75 Liter	16 oz.
0.50 Liter	12 oz.
0.33 Liter	
20 oz.	
16 oz.	
12 oz.	

PET PREFORMS

HDPE CONTAINERS

Automotive
Cosmetics
Food
Household Chemicals
Industrial Chemicals
Toiletries
Water

Beverage, Refillable

2.0 Liter
1.5 Liter
1.0 Liter
0.75 Liter
0.50 Liter

Liquor

1.75 Liter
1.0 Liter
0.50 Liter
0.20 Liter
5 milliliter (miniatures)

HDPE CLOSURES

(Obrist One Piece)
Water, Beverage

PP CLOSURES

(Poly-Vent and Poly-Guard Two Piece)
Beverage

PP MEDICAL DISPOSAL DEVICES

Food

Barbecue Sauce
Coffee
Dry Peanuts
Isotonics
Juice
Mayonnaise
Mustard
Peanut Butter
Salad Dressing
Syrups
Vegetable Oil
Vinegar

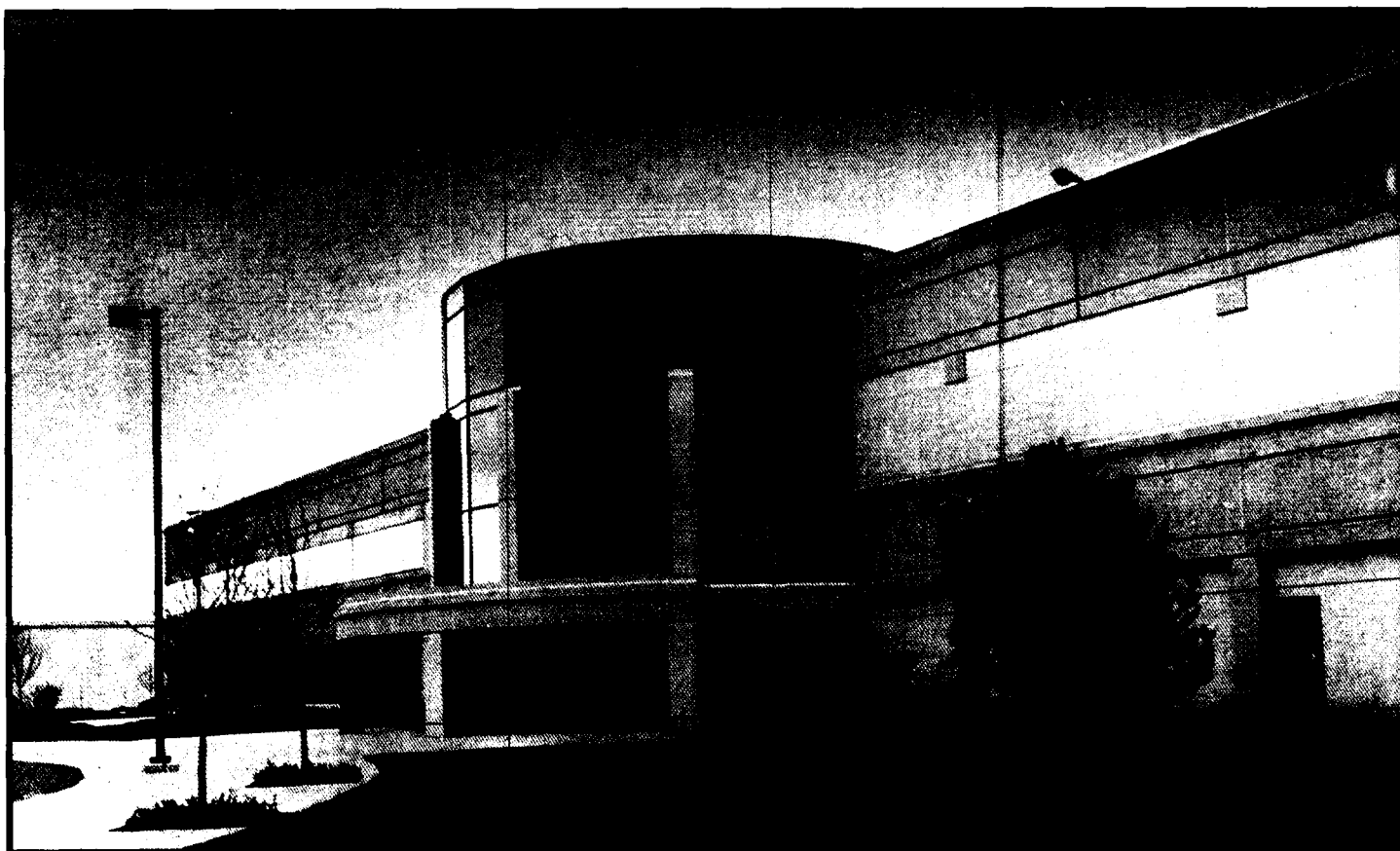
Personal Care Containers

Dish Detergent Containers

Household Chemical Containers

Includes Polyethylene Terephthalate (PET) and the Polyolefins Polyethylene (HDPE) and Polypropylene (PP).





Alsip, Illinois Technical Center
GLOBAL PACKAGING RESEARCH, DEVELOPMENT AND ENGINEERING FACILITY

DESCRIPTION OF THE COMPANY'S BUSINESS

The Company's business is the manufacture and sale of metal and plastic containers, crowns, aluminum and plastic closures and the building of filling, packaging and handling machinery. These products are manufactured in eighty-four (84) plants within the United States and seventy (70) plants outside the United States and are sold through our own sales organization to the food, citrus, brewing, soft drink, oil, paint, toiletry, drug, antifreeze, chemical and pet food industries.

The Company will file its Annual Report on Form 10-K with the Securities and Exchange Commission on or before March 31, 1994. A copy of this Report may be obtained without charge by any shareholder after March 31, 1994. Requests for copies of the Report should be sent to: Corporate Secretary, Crown Cork & Seal Company, Inc., 9300 Ashton Road, Philadelphia, PA 19136.

REGISTRAR & TRANSFER AGENT

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Telephone Number 201-324-0498

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INCORPORATED-STATE OF PENNSYLVANIA



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